

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

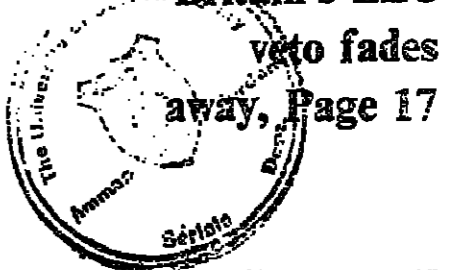
No. 29,360

Monday July 2 1984

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Britain's EEC
veto fades
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NEWS SUMMARY

GENERAL BUSINESS

Iraqis destroy five ships in Gulf

IRAQ said its jets destroyed five ships attempting to enter an Iranian port at the northern end of the Gulf.

Reagan ahead
President Reagan has taken a 19 per cent lead over Democrat Walter Mondale in the run up to November's presidential election, according to the latest Gallup opinion poll.

Unity pledge
Richard von Weizsacker, sworn in as the sixth president in the 35-year history of West Germany, promised to work for a united Germany.

Protesters fined
West German state prosecutors ordered 445 anti-nuclear protesters to pay summary fines of up to \$800 each for illegal blockades at a U.S. Air Force base in Ramstein last autumn.

Beirut accord
Lebanon's Christian militias joined Muslim paramilitary groups in approving a Syrian-sponsored security plan for the greater Beirut area.

Threat to Likud
Three weeks before Israel's general election, the opposition Labour Party is well ahead in opinion polls, and experts believe the ruling Likud coalition has little chance of closing the gap.

Union leader ill
Len Murray, general secretary of the UK Trades Union Congress, fainted on a march to commemorate the 150th anniversary of the Tolpuddle martyrs and was taken to hospital.

Canada reshuffle
Canada's new Premier John Turner said his weekend Cabinet shuffle was the prelude to more extensive changes after the next general election.

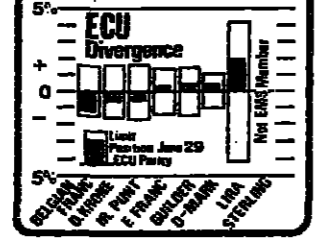
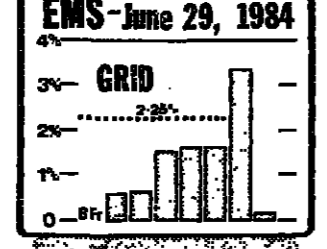
Bolivia 'stronger'
Bolivia's government has emerged strengthened after President Hernan Siles Zuazo was kidnapped for 10 hours on Saturday by a commando group led by an officer of the presidential guard.

Women win vote
Liechtenstein's male voters agreed by a slim margin of 2,370-2,251 to allow women the right to vote in national elections.

Financial Times
Publication of the international edition of the Financial Times resumed in Frankfurt last night although the industrial dispute involving IG Druck, the West German print union, remains unresolved.

European recovery loses impetus

RECOVERY of European economies may have lost a little of its momentum in recent months, employers' organisations from leading industrialised countries believe.



week. News of a settlement in the West German metalworkers' strike and a half-point increase in the discount rate pushed the D-Mark higher. The extent of its recovery was limited however by the strength of the U.S. dollar.

HERACLES GENERAL Cement, the Greek producer taken over by the Government, lost \$1.3bn in 1983 compared with profits of \$399.5m the previous year.

IMF has suspended the disbursement of \$60m remaining on Guatemala's standby arrangement.

FRENCH economy shows fresh signs of a modest pick-up in activity according to a new survey of business opinion.

YATAGAI CREDIT, Japanese personal loan company, sought court protection from its creditors at the weekend after proving unable to pay a ¥1.8bn (\$8m) debt.

AEG-TELEFUNKEN, West German electronics concern, is heading for its second successive profitable year, with sales likely to be about the 1983 level of DM 11.5bn (\$415m).

EUROPEAN Business Satellite is to market satellite communications services to business users in Europe in direct competition with continental public telecommunications networks.

TALKS between the EEC and 64 African, Caribbean and Pacific countries on a new five-year trade and aid pact halted inconclusively at the weekend.

REGAL HOTELS, the deeply indebted hotels and property group acquired in March by Mr Bill Wylie's Asia Securities, has taken up an HK\$ 767m (\$97.3m) credit line from the Hongkong and Shanghai Banking Corporation.

Eurobond market's trust in trust unshaken by fraud

BY MAGGIE URRY IN LONDON

UNION BANK of Switzerland has revealed that the fraudulent trades between the senior Eurobond dealers in New York, and Bear Stearns International in London, "go back at least into 1983 and there could have been something earlier on."

As one senior dealer put it: "You have to trust traders - they always have an advantage. If they choose to go outside the normal ethics of trading, manipulate the prices on their books, they can do things which do not come to the attention of the firm."

The head of trading at one major firm said the market had grown up so quickly that there were not enough traders in charge experienced enough to be aware of methods of dealing fraudulently and to spot them as they occur.

Soviet Union rejects U.S. 'conditions' on space weapon talks

BY DAVID BUCHAN IN MOSCOW

THE SOVIET UNION yesterday firmly rejected the U.S. Administration's acceptance of Moscow's offer to hold talks on banning space weapons because it was hedged with preconditions.

Banks rule out interim deals with Argentina

BY WILLIAM HALL IN NEW YORK AND PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

LEADING creditor banks will make no further deals with Argentina to allow it to meet quarterly interest payments on \$43.6bn of foreign debt.

LEADING creditor banks will make no further deals with Argentina to allow it to meet quarterly interest payments on \$43.6bn of foreign debt.

Coal strike will not damage UK financial strategy, brokers say

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

THE BRITISH miners' strike is unlikely to blow the Conservative Government's financial strategy off course, even if it continues until the end of the year, according to financial analysts in London.

City of London Announcing the completion of a fine new Office Building

Advertisement for City of London Office Building. Includes text: "Ten Foster Lane", "12,000 sq ft Self contained Air conditioned Offices To Let". Features an architectural drawing of the building and contact information for Frank Durrant.

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OVERSEAS NEWS

Canada's new PM promises further changes after poll

BY BERNARD SIMON IN TORONTO

THE CABINET reshuffle in Canada, which took place at the weekend in a prelude to more extensive Government changes after the next general election, according to Mr John Turner, the new Prime Minister.

Mr Turner, who was sworn in to succeed Mr Pierre Trudeau on Saturday, has dropped 13 of the 37 members of Mr Trudeau's Cabinet, reduced the size of the Cabinet to 29 and brought in five newcomers.

Nonetheless, the reshuffle is less dramatic than many had expected. Except for the agriculture portfolio, the new Ministers are in junior positions.

Only one member of the new Cabinet comes from western Canada, where the ruling Liberal Party hopes to gain substantial electoral support.

A clear break from the unpopular Trudeau administration is essential if Mr Turner is to lead the Liberal Party to victory in the next election, which must be called before February.

"I would need a larger mandate from the people of Canada to move further than I have," Mr Turner said. He

described the reshuffle as "phase one" in terms of both structure and people.

Mr Turner, who left a corporate law practice to re-enter politics, said he intends standing in a British Columbia constituency in the election. He does not have a seat in Parliament at present.

Key portfolio changes include the shift of Mr Jean Chrétien, now deputy Prime Minister, from energy to external affairs. The new Energy Minister is Mr Gerald Regan, formerly Minister of International Trade.

Mrs Judy Erola, previously Consumer and Corporate Affairs Minister, has been put in charge of several social policy departments.

Mr Turner has given no indication yet of an election date. Should he follow the advice of many Liberal MPs favouring a snap August or early September poll, an announcement will be made within the next two weeks.

According to one report yesterday, Mr Turner has arranged a quick trip to London later this week to ask the Queen to postpone her visit to Canada, scheduled to begin on July 14.

Weizsaecker sworn in as President

By Rupert Cornwell in Bonn

HERR RICHARD von Weizsaecker, who was yesterday sworn in as the sixth President in the 35-year history of West Germany, has promised to continue working for a removal of the barriers which divide his nation.

"Elementary human ties mean that we Germans in East and West belong together," he told a joint session of the two houses of the West German Parliament in his inaugural address. The Berlin Wall had been built 23 years ago to consolidate a political system, and force East Germans to resign themselves to division and separation, he said.

"But the Wall has failed to achieve this, as we are reminded every day," declared Herr von Weizsaecker in a reference to the latest flood of refugees into Bonn's permanent mission in East Berlin, seeking permission to go to the West.

Although 25 East Germans left the building on Friday after promises they would not be punished, an estimated 30 are still inside. The mission has been temporarily closed.

Herr von Weizsaecker urged Herr Erich Honecker, the East German party chief to go ahead with his mooted visit to West Germany as planned this autumn.

Deng is firm on HK's prosperity

BY MARK BAKER IN PEKING

CHINA'S leader, Deng Xiaoping, has said here that China must succeed in maintaining the prosperity of Hong Kong if it is to achieve reunification with the Nationalist Chinese of Taiwan.

Reunification will not be achieved by either Socialism or capitalism overriding the other but by the mainland and Taiwan operating as two systems within the one country, Deng said.

The successful maintenance of Hong Kong's stability and prosperity after the British withdrawal in 1997 will be an example for Taiwan and the world of the viability of the "two

systems" policy, he added. "I say this policy will not change."

Deng's remarks were published in the official magazine Outlook. The statement appears to be designed to clarify China's policies on Hong Kong and defuse last week's row between Deng and Hong Kong Chinese leaders over nervousness in the territory.

"China not only has the problem of Hong Kong, it also has the problem of Taiwan. What's the solution to the problem? Is it for socialism to swallow up Taiwan, or for the 'Three Principles of the People' preached

by Taiwan to swallow up the mainland.

"The answer is that neither can swallow up the other. If the problem cannot be solved peacefully, it must be resolved by force. This would do neither side any good.

Reunification was the aspiration of the whole country. If it cannot be reunified in 100 years, then it will be reunified in 1,000 years. The only solution to the problem is to practise two systems in one country."

Deng reiterated that after 1997 the socio-economic system of

Hong Kong would continue and the present laws remain basically unchanged. These policies would remain for 50 years.

Apart from stationing troops to defend Hong Kong, no cadres would be despatched from the mainland to work in the government of the special administrative region.

Hong Kong residents involved in administering the territory after 1997 must be patriots, but they did not have to favour Chinese socialism.

The belief that Hong Kong people could not run the territory after 1997 was a "concept left over by the colonialists,"

Rebirth for Algeria's farming revolution

By Francis Giles, recently in Algeria

THEY USED to talk in Algiers of an agrarian revolution - indeed, the phrase was embedded in the very title of the ministry of agriculture.

With the expropriation of large tracts of private land by the state and the introduction of rigid work practices, the results were depressingly similar to those achieved in Eastern European agriculture: plummeting production, rising imports, bare market stalls.

By 1980, Algeria was importing half the food its 20m people consumed, and today that has risen above 60 per cent. Food imports cost the country about \$2.5bn last year, one fifth of its export income and almost one third of its total import bill. Subsidies on staple foods added a further \$1.5bn to the state budget.

Now all that has begun to change. After the death of President Houari Boumediene in 1978 and the ascent of Chadli Bendjedid, the socialist rhetoric has died down, and a real farming revolution is underway.

President Chadli did not wait for his second term, which started in January this year, to start dismantling the inflexible policies of his predecessor. In the last three years, his measures have:

- Allowed both private and state farmers to bypass the inefficient and often corrupt state distribution monopolies, permitting free markets to spring up in all major Algerian cities.
- Allowed producers of fruit, vegetables and cereal to trade across provincial boundaries, something which was strictly forbidden in the 1970s, creating considerable supply difficulties.
- Begun to compensate Algerians whose land was nationalised in the 1970s and to hand over small plots of state-owned land to people who have expressed a willingness to develop it.
- Allowed private farmers, whose holdings occupy less and poorer land than state farms, much easier access to credit, fertilisers and machinery.

Alongside these incentives for the private sector, the ministry is also trying to make state farms more profitable. The minimum wage of farm workers was brought into line with industrial workers; older farm hands have been retired, and training facilities for younger workers improved.

"Socialist villages" - the great pride of yesterday - are being cleared of their more than 100,000 "illegal" inhabitants, often civil servants.

Prices paid to producers are being allowed to rise. Last year, the Government cut subsidies on some staple foods: bread prices rose by 50 per cent, imported eggs by 115 per cent.

At the same time, to soften the blow to the consumer, the building of peasants' markets, the Souk El Fellah, has continued. While these supermarkets do not boost the same range or quality of produce as private shops, they do ensure that ordinary Algerians are able to buy food at more reasonable prices.

The authorities have ambitious plans to develop agriculture over the next decade. A major effort is underway with poultry and eggs. Algeria had become, by 1982, the single largest importer of eggs in the world, and this year alone will put out two international tenders for 900m eggs: domestic production, which in 1980 covered 96 per cent of needs, today covers little more than a quarter - the same story, more or less, applies to cereal and dried vegetable production.

However, ambitious plans could generate difficulties of their own. Encouraging poultry rearing is fine, but the Algerian countryside does not boast enough storage capacity for feedstock to cover the needs of a very fast rising poultry population: not to mention the incapacity of Algerian ports to handle today's imports.

When it comes to boosting the cereal sector, where two thirds of all needs are imported, change will be slow. Yields are, on average, half those of Tunisia; an erratic climate puts efficiency and speed in gathering crops at a premium. More difficult to solve will be the damage the deep disc ploughs - which characterise most Algerian-built and European-designed machinery - could inflict on a country where the land needs to be treated with great care.

So, however successful the new agricultural policy proves to be, Algeria will, for many years to come, remain a major market for Western agricultural exports - particularly from the EEC.

Heracles directors accused of incompetence

BY ANDRIANA IERODIACONU IN ATHENS

IRATE SHAREHOLDERS of the Heracles General Cement Company, the Greek cement producers whose management was taken over by the Government in a storm of controversy last September, have accused the company's present directors of incompetence and failing to open up new markets abroad.

The charges were made at a stormy weekend meeting at which losses of Dr 1.3bn (£8.7m) were reported for 1983. The company showed profits of Dr 399.5m in 1982.

Heracles ranked as one of Europe's top cement exporters

at the time of the management change. Since then, shares have plummeted from a value of Dr 650 to Dr 250. "Never before have so few people in such a short time done so much damage to so many," one shareholder told the marathon meeting which lasted more than eight hours.

However, a representative of the National Bank of Greece, a state bank and the major Heracles shareholder, supported the company directors and led a vote approving the 1983 annual report. This included an

item giving the company the green light for legal action against Heracles' former family management, led by Mr George Tsatsos.

Mr Nikolaos Seitandies, the company's chief director, said disadvantageous contracts with shadow companies abroad for the sale and transport of cement, and the supply of coal, drawn by the former management, had cost Heracles "tens of millions of dollars." Mr Seitandies cast the main weight of the blame for the company's 1983 losses on the former management. But the annual report also cited poor

world cement prices and rising wage, fuel and other production costs.

The Tsatsos management is already facing a law suit launched by the National Economy Ministry, for the alleged illegal export of foreign exchange. The Tsatsos family resigned the Heracles management after hearing the charges against them on state television. The case caused a furore among Greek businessmen, and has soured relations between the private sector and the Socialist Government of Mr Andreas Papandreu ever since.

Signs of recovery in France

By David Housego in Paris

FRESH SIGNS of a modest pick-up in activity in the French economy have emerged with a new survey of business opinion.

According to the official statistics institute, Insee, both the capital goods and intermediate goods sectors are benefiting from some recovery in demand. In the car and consumer goods industries, output is stable. "But each month," says Insee emphasising the modesty of the recovery "the outlook for industry is a little less pessimistic."

The slightly more encouraging news from the official forecasting unit comes at a time when the Government is also predicting a small expansion in real economic output this year and next.

According to forecasts that will form the base of the 1988 budget calculations real GNP which rose by only 0.9 per cent last year will rise by 1.2 per cent this year and 2 per cent in 1985. Growth this year will stem almost entirely from exports and investment.

The Government anticipates that exports will grow by 3.5 per cent in volume terms after an increase last year of 2.3 per cent. Investment is expected to rise by 2 per cent in volume, reflecting above all higher levels of investment in industry and particularly by the nationalised sector.

Household purchasing power will this year be virtually stagnant, meaning that household consumption will make little contribution to growth. But M Jacques Delors, the Finance Minister, said last week that next year's 2 per cent growth in GNP would in part stem from real increases in household income.

The Government expects that the trade deficit, which was cut back to FFr 43bn (£3.7bn) last year will be reduced to FFr 25bn this year before achieving a FFr 11.5bn surplus in 1985. M Delors expects the current account deficit this year to be slightly below the level of the trade deficit which is in itself higher than the Government had initially anticipated.

The Government has declined to spell out the employment inclinations of this slow recovery. But worry about that the number of jobless - now 2.3m - will continue to grow were behind attacks on M Delors at a meeting of the ruling committee of the Socialist Party held over the weekend to analyse the Socialist's defeat in last month's European elections.

Many speakers blamed M Delors' policies for the setback to the left. M Jean-Pierre Chevènement, the former Minister of Industry said that the policies were "deliberately sacrificing jobs and had disarmed the Left ideologically."

Norwegian kroner may weaken by 2%

A NEW method of calculating the official exchange rate index for the Norwegian kroner, to be adopted on July 2nd, will probably mean a 2 per cent weakening of the kroner, according to the Bank of Norway, writes Flemming Dahl from Oslo.

The bank announced on Saturday that it would now use a geometric average in its calculation of the official exchange rate index.

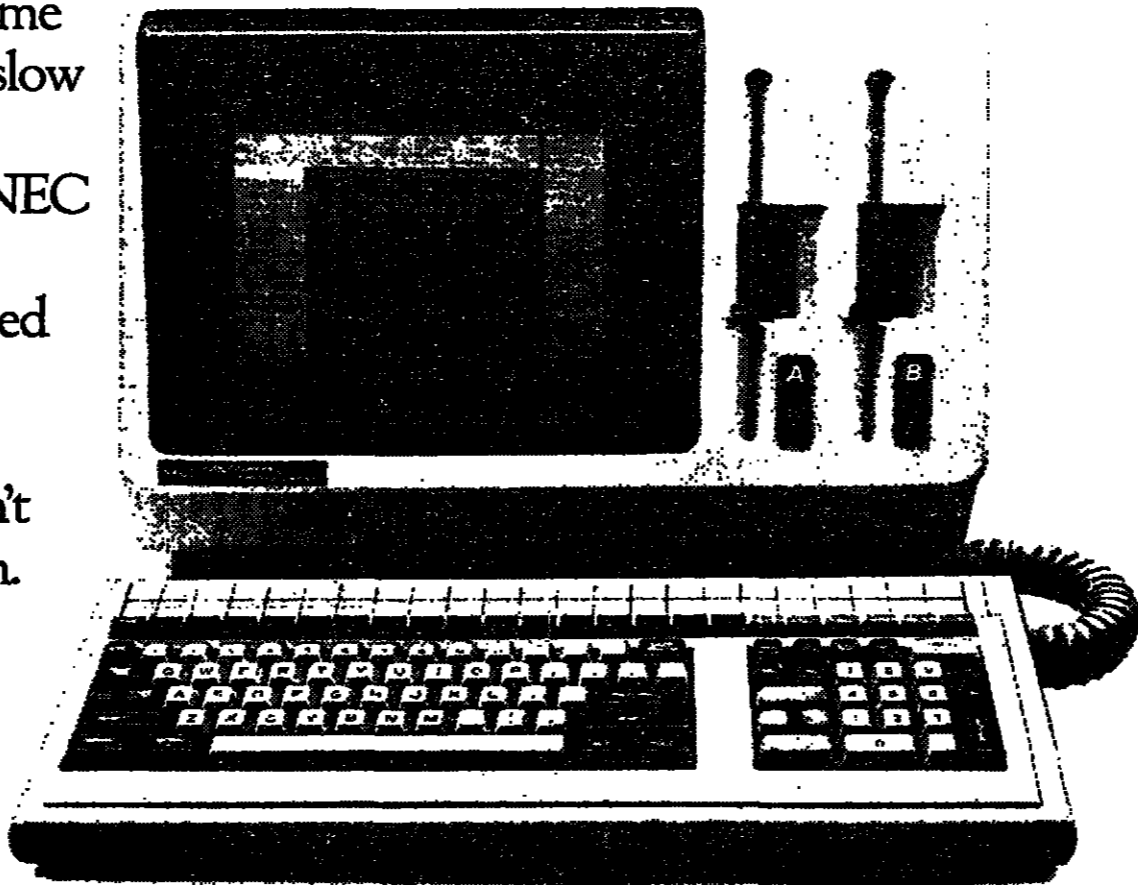
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Liechtenstein's men vote yes

THE MEN of Liechtenstein, Europe's last bastion of male supremacy in politics, yesterday agreed by a slim margin to give women the right to vote in national elections.

In a referendum in the tiny principality, wedged between Switzerland and Austria, 2,370 voted for women's suffrage and 2,251 against, after 86.2 per cent of the electorate turned up at the polling booths.

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Bolivian government strengthened after abortive kidnapping

BY HUGH O'SHAUGHNESSY IN LA PAZ

THE 10-month-old Government of the left-of-centre President Hernan Siles Zuzo of Bolivia has emerged strengthened from the tragicomic events of Saturday, in which he was kidnapped from his residence for 10 hours by a commando group led by Lt Col Celso Campos Pinto of the Presidential Guard.

The left-wing COB trade union confederation, which had been planning a general strike for today in protest against the Government's economic austerity measures, now plans to stage a march in support of President Siles.

The 71-year-old Bolivian leader will also be strengthened in his moves to put reliable and democratically minded officers in command positions within the armed forces.

Since he assumed office in October 1982, after democratic elections, President Siles has been attempting to neutralise those officers in the armed forces or police identified with extreme right-wing ideas and with trafficking in Bolivia's largest export, cocaine. Many of these officers collaborated with the regime of General Luis Garcia Meza, which controlled the country in a military dictatorship from 1980 to 1982.

President Siles' efforts to bring the armed forces under control resulted in revolts last month in various military and naval units at the second city, Cochabamba and in the eastern lowlands, where the bulk of the cocaine is cultivated. These revolts culminated in the abortive kidnapping of the President on Saturday.

A number of officers implicated in the kidnapping, including Col Rolando Saravia and Major Luis Ardaya of the army, have been given asylum in the Argentine and Venezuelan embassies in La Paz.

President Siles praised the attitude of the armed forces as soon as he had been released from his kidnappers.

He said they had proved themselves "during this testing day" by "backing up the national constitution and its main participants, the Bolivian people." Defence Minister Manuel Cardenas said abduction was carried out by "a small group acting with unknown aims." Army commander General Alfredo Villarreal said: "The attitude of two or three officers must not compromise the army's respect for the constitution of the state."

FBI arrests Mexican fugitive

By Ronald Buchanan in Mexico City

Sr Arturo "El Negro" Durazo, the former Mexico City police chief and the most celebrated fugitive from President Miguel de la Madrid's anti-corruption campaign, has been arrested in San Juan, Puerto Rico, Mexico will formally seek his extradition today from U.S. authorities, the Mexican attorney general's office said.

Sr Durazo, the Mexico City police chief in the 1976-82 administration of Sr Jose Lopez Portillo, faces charges of tax evasion and illegal possession of firearms, but has been accused of much more serious crimes in a book written by his former security chief.

The arrest, carried by the U.S. Federal Bureau of Investigation acting on request from the Mexican branch of Interpol, came as a shock to most Mexicans. They had assumed that Sr Durazo would never be caught because of his immense wealth and network of high level contacts.

The Government regards de la Madrid's campaign, known as "moral renovation," as a vital element in maintaining credibility in the system while harsh austerity measures are being implemented. But opposition politicians say that, even if Sr Durazo is extradited and brought to trial, his punishment will not mean victory for "moral renovation." They say that the persistence of corruption within the system is reflected in the political survival of gangster-like elements in the trade unions and in the failure to track down the assassins of Sr Durazo's top investigative journalist who was killed a month ago.

But the drive against prominent members of the last administration continues. Last week Sr Enrique Velasco Ibarra, who was private secretary to Sr Lopez Portillo, resigned from the governorship of Guanajuato state and is now under investigation.

Another celebrated fugitive, meanwhile, has been left off the book by Gen Augusto Pinochet, the Chilean dictator. Sr Jesus Chavarria, accused with Sr Jorge Diaz Serrano, former head of the state oil company, Pemex, in a \$34m kickback case, was held recently in Santiago.

Sikh mutineers 'will be punished'

India's Army Chief of Staff Gen A. S. Vaidya warned troops yesterday that Sikh soldiers who mutinied and deserted to protest at the army siege of the Golden Temple in Amritsar would be severely punished. AP reports from New Delhi.

About 5,000 Sikh soldiers, many of them recruits, mutinied in nine places last month to protest at what they considered the army's desecration of the shrine on June 4-7. They tried to march to the Golden Temple in protest.

Iraq claims five ships hit in Gulf

BY OUR FOREIGN STAFF

IRAQ claimed yesterday to have attacked and destroyed five ships attempting to enter the Iranian port of Bandar Khomeini at the northern end of the Gulf.

A military spokesman in Baghdad said the attack by Iraqi jets and naval units took place near the Khor Musa channel. Five vessels were claimed to have been hit and a further two were said to have been damaged when they strayed into a mined area.

There was no immediate confirmation of the Iraqi claim and from the wording of the statement from Baghdad it seems unlikely that any oil tankers were involved.

Iraq last week concentrated its attack on tankers using the Kharg Island oil terminal, south of Bandar Khomeini. The vessel to be hit, the Tiburon, has now reached Bahrain with its cargo intact after a fierce blaze in the stern of the ship was extinguished.

Iraq also claimed yesterday to have shot down an Iranian F-14 interceptor over the Khor Musa channel.

Arab Gulf states, headed by Saudi Arabia and Kuwait, are anticipating an Iranian response to the latest Iraqi attacks and have increased the number of aerial patrols over Gulf shipping lanes.

Ayatollah Ruhollah Khomeini, Iran's religious leader, yesterday hit back at critics of Iran's unwillingness to make peace with Iraq. He told a meeting of more than 700 people in Tehran that those who advocated peace were opposing religious teachings.

The Ayatollah warned other countries in the area not to become infected by the conflict. President Ali Khomeini also warned Arab Gulf states to keep out of the conflict. If they continued to support Iraq they would be "entering a fire from which they will not escape easily."

Christian militias back Beirut security plan

BY NORA BOUSTANY IN BEIRUT

LEBANON'S Christian militias joined other Moslem paramilitary groups yesterday in announcing their approval of a Syrian-sponsored security plan for the Greater Beirut area.

The Druze militia of the progressive Socialist Party took the lead on Saturday by collecting heavy weapons from the capital and transporting them in long convoys to the hills east and south of the capital.

The Shiite Amal movement yesterday disclosed that its leader, Mr Nabih Berri, had ordered preparations for the withdrawal of heavy arms as

well as soon as implementation of the security plan begins.

Mr Fady Frem, commander of the Christian militia forces, declared he consented to the security arrangements which were approved by the Lebanese Government last week, on condition that they did not compromise the morale of his fighters or their military structure.

The security blueprint envisages an effective deployment of the fractured Lebanese Army in both sectors of Beirut following steps aimed at reintegrating its units which splintered along religious lines last February.

IMF credit suspended as Guatemalans go to polls

BY DAVID GARDNER IN GUATEMALA CITY

AS GUATEMALANS went to the polls yesterday to elect a constituent assembly charged with drawing up a new democratic constitution, disbursement of the \$60m (\$44m) remaining of the country's IMF standby arrangement was suspended. This follows the Fund's dissatisfaction with the military Government's attempts to hold down the budget deficit.

The latest tranche of \$20m of the SDR 114.75 (\$88.5m) facility was to have been disbursed yesterday. Fund officials have said they are waiting for indications that the Government will take steps to halt the deterioration in the fiscal deficit and current account.

Since the stabilisation programme agreed with the IMF last year, Guatemala has brought the budget deficit down from more than 7 per cent of GDP in 1981 to 3.7 per cent last year, and closed the current account gap from \$559m to \$258m in the same period. The military Government, however,

has had little success with tax reforms introduced last year, and an increase in the current account deficit of about \$200m is now expected.

The introduction of new taxes, particularly Value Added Tax, was one of the factors which led to the overthrow of the previous military government of Gen Efraim Rios Montt.

World Bank funds of \$30m are also being held up because of the Government's missed targets. The \$30m was to help cover cost overruns at the Chixoy hydroelectric plant, where the original budget of \$360m has been overshot by about \$500m.

The IMF funds were earmarked to help Guatemala come up to date on trade credit arrears of \$150m.

Though the country's foreign debt of \$2bn is low by regional standards, it has had almost no private bank credit for the past three years, and continuing access to institutional credit is vital.

U.S.-Cuba dialogue likely

HAVANA—Cuba and the U.S. could start talks soon on emigration and the deportation of Cuban criminals held in U.S. jails, officials from both sides said yesterday.

Last week, Cuba's President Fidel Castro said Cuba was ready to begin a dialogue on the problem immediately. "If it means with the approval of both

political parties in the U.S. and won't be made into an election issue."

Sr Ricardo Alarcon, Cuba's Deputy Foreign Minister, declared yesterday: "I see no reason why the idea of dialogue on the question won't get the support of both parties."

The Reagan Administration originally proposed a dialogue, Reuter

Abridged Particulars

Application has been made to the Council of The Stock Exchange for the grant of permission to deal in the Unlisted Securities Market in the Ordinary shares of TDS Circuits PLC ("Circuits"). It is emphasised that no application has been made for these securities to be admitted to listing.

TDS CIRCUITS PLC

(Incorporated in England under the Companies Acts 1948 to 1979 No. 1171921)

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of

1,247,000 Ordinary shares of 5p each at a price of 380p per share

Share Capital

Authorised £400,000 in Ordinary shares of 5p each Issued and to be issued fully paid £380,000

Circuits has grown to become one of the largest independent manufacturers of multilayer and plated through hole printed circuit boards in Europe. Circuits has attained this position by concentrating its efforts on the development of the more complex multilayer boards coupled with a sustained programme of high capital investment and production engineering effort.

In the year to 29th February, 1984, Circuits made a profit before taxation of £1.71 million (corresponding to earnings on an actual tax charge per Ordinary share of 35.9p) on a turnover of approximately £7.8 million.

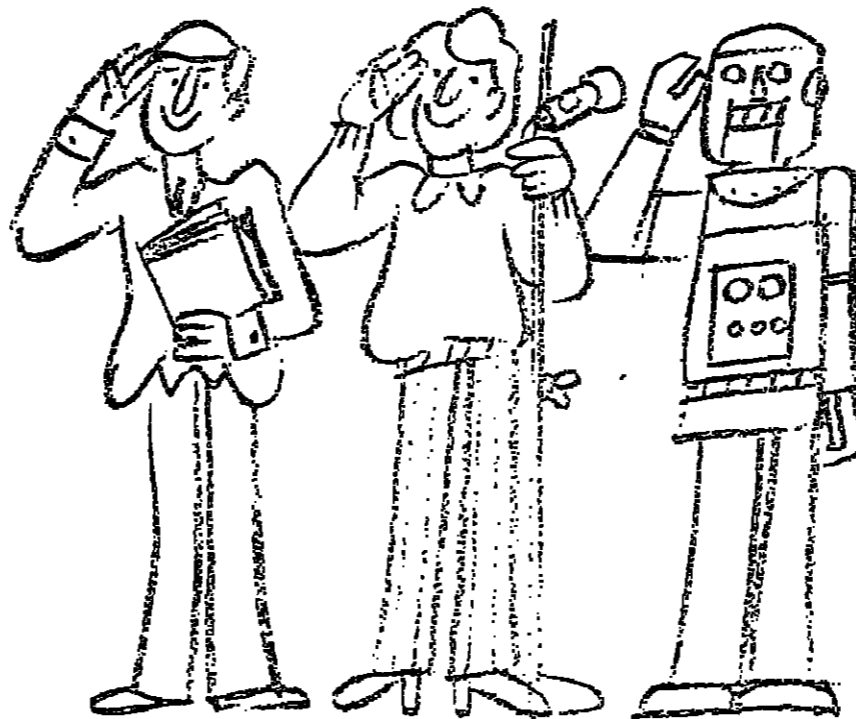
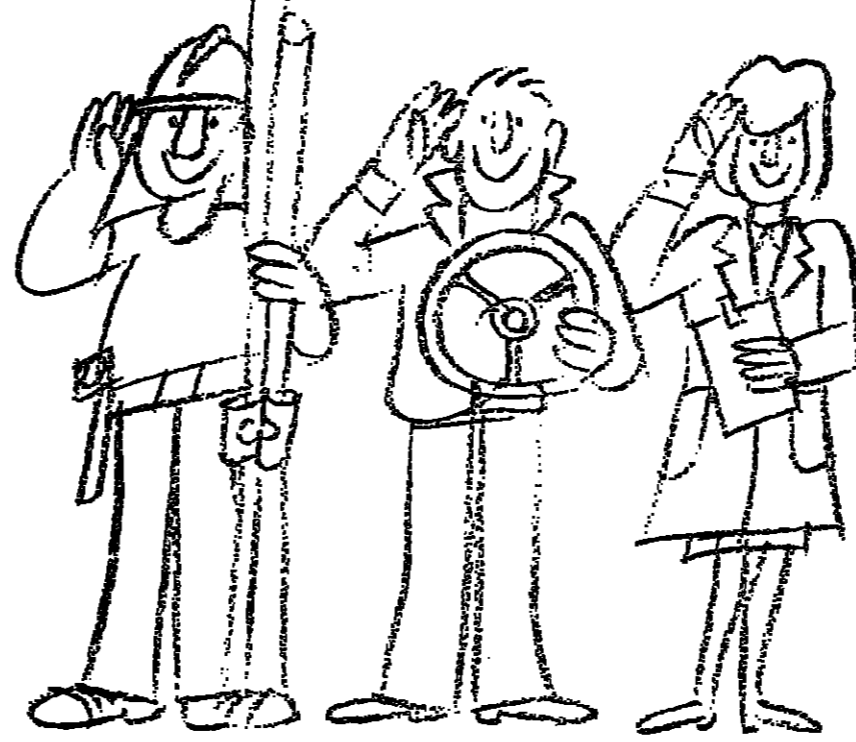
Copies of the prospectus (on the terms of which alone applications may be considered) can be obtained from:

Laurence, Prust & Co. 711 Moorfields, London EC2R 6AH. 01-606 8811 and at 2/4 Oldknow Road, Marple, Nr. Stockport, Cheshire SK9 7BX. 061-427 0458 Lloyds Bank Plc Registrars Department Issue Section 111, Old Broad Street, London EC2N 1AU. 01-623 1283

And from the following offices of Lloyds Bank Plc: Birmingham: P.O. Box 155, Colmore Row, Birmingham West Midlands B3 3AD. Bristol: P.O. Box 153 SE, Corn Street, Bristol, Avon BS69 7LE. Manchester: P.O. Box 358, 53 King Street, Manchester, Lancashire M60 2ES. Edinburgh: 113/5 George Street, Edinburgh EH2 4TF.

The application list will open at 10.00 a.m. on Thursday, 5th July, 1984 and may be closed at any time thereafter.

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WORLD TRADE NEWS

Paris sceptical of speedy deal on Anglo-French telecoms

BY DAVID MARSH IN PARIS
 FURTHER top-level talks between Britain and France over reciprocal telecommunications sales between the two countries are to take place in London today amid mounting pessimism in Paris about hold-ups in progressing towards a firm deal.

Although CIT Alcatel with its E.10 digital exchange will still have a chance of gaining the tender in which France's CIT Alcatel will be competing along with other foreign companies. Sir George Jefferson, the chairman of British Telecom, will meet M Jacques Dondoux, head of France's Direction Generale des Telecommunications (DGT) telephone authority. They will discuss the chances of a sales agreement, which could eventually pave the way for wide-ranging research and development collaboration between the two countries' industries. French officials had been hoping for relatively speedy conclusion of an accord for each country to buy 600,000 lines of digital exchange equipment from each other over three years. They have drawn generally pessimistic conclusions from BT's recent indica-

West in fresh call for tariff reductions

ELTVILLE-ERBACH — Major industrial nations at the weekend pledged to speed the dismantling of import tariffs to reduce protectionism and help developing countries out of the international debt crisis. After two days of informal trade talks here between senior officials from the U.S., Canada, Japan and the EEC, Herr Wilhelm Haferkamp, the European Commission vice-president, said: "In a climate of protectionist pressures, it is important to come up with a signal... towards dismantling tariffs."

Inconclusive halt to Lomé talks

BY IVO DAWNAY IN BRUSSELS
 THREE DAYS of gruelling talks between the EEC and 64 African, Caribbean and Pacific (ACP) countries on a new five-year trade and aid pact ground to an inconclusive halt at the weekend. But, despite blockages in almost all key sectors, M Claude Cheysson, the French President of the EEC Ministers, claimed the negotiations are now "in the home straight."

This would clear the way to formal signing in Togo, in November, in time for the pact to come into force at the expiry of the current five-year Lomé Convention next March. Obstacles to a deal remain formidable, not least due to internal disagreements within the EEC over the level of financing to be made available. Britain, backed by West Germany, favours only a marginal increase in the ECU 5.6bn (£3.4bn) package provided in 1980, but a substantial improvement in access for ACP products to the Community market. France, along with Greece and Italy, fears trade concessions will hurt domestic producers, and, therefore, proposes instead the maintenance of previous aid levels. In real terms, giving a total figure of about ECU 8bn. The 10 EEC members have agreed, however, not to name their final figure until the financial and technical details on how the money is to be administered are concluded. Among the main areas of contention remaining are: EEC demand for greater control over how ACP countries spend their allocations, with specific assurances that money given to bridge shortfalls in primary commodity output are ploughed back into that sector; ACP calls for greater preferential access to the EEC market. So far, the Ten are offering only to review each case as it arises and to ensure that trading terms will equal those of any other third-country agreement; ACP pressure for a relaxation in the Community's stringent rules of origin conditions, which insist that goods from the ACP must have between 40 and 60 per cent value added in the country concerned before preferential tariff rates apply. The Community has now offered a universal 50 per cent figure; A series of ACP requests for financial reforms, including European Investment Bank aid for agriculture, better loan conditions, lower interest rates, and longer grace periods. One significant concession has, however, been made by the EEC. This allows ACP countries to conclude multi-annual contracts to buy Community surplus farm produce at prices fixed at world market levels on a year-by-year basis. This will allow the ACP to plan purchasing requirements without suffering wildly unpredictable fluctuations in costs during the period that the contract runs.

Turkey strikes energy deals with USSR

BY David Barchard in Ankara
 TURKEY and the Soviet Union are to step up energy co-operation with the construction of a natural gas pipeline and a second energy transmission line in the Caucasus. The location of the pipeline was not specified in an official announcement, but is expected to run through Turkish Thrace from Bulgaria. Mr Turgut Ozal, Turkey's Prime Minister, recently said that a natural gas powerplant would be constructed outside Istanbul. The pipeline will have an initial capacity of 2bn cubic metres of natural gas, rising later to 5bn. The semi-official Anatolia news agency quoted Ahmet Kurtebe Altıemecin, the Minister for State as saying that the pipeline would be constructed in a maximum of 18 months by the Turkish pipeline company Botas. He said talks about the purchase of the natural gas would get under way in Moscow in late July or early August. The Minister, who was speaking after the seventh meeting of the Turkish-Soviet Joint Economic Commission, said Turkey would purchase 720m KWH of electricity from the Soviet Union this year.

Ericsson secures \$8m Cyprus telephone order

BY DAVID BROWN IN STOCKHOLM
 L. M. ERICSSON, the Swedish telecommunications and information systems group, has won an \$8m (£59m) order to supply its AXE digital telephone switching equipment to Cyprus in the first stage of a five-year system upgrading contract worth \$25m. The contract, which involves some 100,000 subscriber lines, was won against competition from Siemens of Germany, CIT Alcatel of France, ITT Italy and Hitachi of Japan, an Ericsson manager said. The contract calls for delivery of an international switch, eight combined local and transit exchanges and one operations centre by the group's Italian subsidiary Fatma, to be delivered starting in 1985. Ericsson has sold a total of some 10m of its AXE lines in 51 countries. The group had sales of SKr 27bn (£280m) last year.

SHIPPING REPORT
 Owners reluctant to send tankers to Gulf

BY ANDREW FISHER, SHIPPING CORRESPONDENT
 FURTHER attacks on merchant shipping in the Gulf last week ended hopes in the tanker market that trading could resume safely after a short period without incidents. Shipowners have thus become reluctant again to commit vessels to the area, even at current high rates. Carriage of Iranian oil are now harder to dispose of, with Japan the main buyer of oil from Iran. "The odds of being attacked have shortened considerably," said E. A. Gibson, Shipbrokers of London, "and the moral implication of committing life and limb outweighs the financial rewards obtainable."

Chartering rates from Saudi ports eased during the week, with Worldscale 37 paid for a VLCC (very large crude carrier) of 250,000 tons to France, about 20 points down on the level three weeks ago. Galbraith's reckoned a VLCC loading in Iran's Kharg Island for Europe would fetch about Worldscale 80 now. Early this month, around Worldscale 70 was quoted, more than three times the rate in April. Stressing that long-term demand for oil from Gulf producers would decline, a new study of the tanker market last week said it was "emerging from 10 year's hibernation." Demand for all tanker tonnage was expected to rise by just over 3 per cent a year up to 1989, Lev Sychrava Associates said. But it mentioned three main constraints on tanker demand: the continuing shift from costly long-haul Gulf oil, where supplies are assured; the debt problems of the developing countries; and the high volume of short-haul East European oil exports to the West. In the dry cargo market, rates continued to ease last week, despite plenty of inquiry. Galbraith's said. Business in grain across the Atlantic from the U.S. was quiet, with traders expecting wheat imports into Europe in 1984-85 to be slightly down or static. Wärtsilä, the major Finnish shipbuilding company, has won an order worth FM 800m (£96m) from the Soviet Union to build three specialised ships. Included in the contract is the world's largest oil recovery submersible dredger to be built at the company's Turku yard. The yard will also build a crane vessel capable of lifting 600 tonnes, with the Helsinki yard to build a shallow draught river ice-breaker. The ships will be delivered in 1986 and will occupy at least 2,500 man-hours for the yards.

World Economic Indicators

	UNEMPLOYMENT				
	May '84	Apr. '84	Mar. '84	May '83	May '83
W. Germany	00%	2,133	2,254	2,393	2,149
	%	7.9	8.4	8.9	8.5
U.S.	00%	8,514	8,843	8,772	11,118
	%	7.5	7.8	7.8	10.1
UK	00%	3,084	3,108	3,143	3,049
	%	12.9	13.0	13.2	12.8
France	00%	2,148	2,235	2,247	1,913
	%	9.5	9.8	9.8	8.4
Italy	00%	2,938	2,960	3,012	2,676
	%	13.0	13.1	13.3	11.8
Netherlands	00%	807	814	835	753
	%	14.4	14.4	14.9	13.5
Belgium	00%	552	559	574	546
	%	13.5	13.7	14.0	13.3
Japan	00%	1,780	1,710	1,650	1,720
	%	2.7	2.7	2.7	2.6

Source (except U.S., UK, Japan): Eurostat

50 NATIONS DISPLAY CULINARY DELIGHTS
 Food shippers eye U.S. marketplace

BY NANCY DUNNE IN WASHINGTON
 "TODAY'S SPECIALITY is tomorrow's staple," intoned Mr Morris Kushner, outgoing president of the National Association for the Speciality Food Trade which held its 30th annual convention in Washington, DC, last week. The entrepreneurs who occupied some 1,500 booths in the city's convention centre take some risks by breaking into the growing and lucrative U.S. market, said Mr Kushner. "We create items," he said, "then the giants come in and take them away."

After 40 years in the business, Mr Kushner speaks with some authority. He is the man who introduced chocolate-covered ants and grasshoppers, which in their own way, made it very big some years ago. He also originated gourmet food departments in American supermarkets. The exhibitors who piled their cheeses, chocolates, candies, fish, wines and beers on prospective customers seemed only concerned about getting a foothold in the U.S. speciality food market, estimated at \$850m wholesale. The mammoth show featured foods and related products from about 50 nations. A study conducted by the British Trade Development Office in New York last year concluded that the American industry is growing at the rate of 20 per cent a year. About 10 per cent of U.S. supermarkets now stock fancy foods, the study found, with imports dominating the market. They account for 75 per cent of the cheese and biscuit sales, 63 per cent of jams and 60 per cent of the speciality chocolates. At this year's show British companies—who in 1983 earned \$96.4m in direct speciality food sales to the U.S. hawked cheese, chocolates, jams, smoked salmon, honey, and biscuits. French exhibitors pushed a new cocktail mini

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NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Section 4(c) of the Fiscal Agency Agreement dated as of July 30, 1981 between IBM World Trade Corporation and The Chase Manhattan Bank (National Association), as Fiscal Agent and Paying Agent, all of the above-mentioned Notes (the "Notes") will be redeemed on July 30, 1985 (the "Redemption Date") at the price of 100% of their principal amount. The July 30, 1984 coupons and any coupons which matured prior to the Redemption Date should be detached and surrendered for payment in the usual manner. Interest on the Notes shall cease to accrue from and after the Redemption Date.

Payment will be made upon presentation and surrender of the Notes, together with all securities coupons maturing subsequent to the Redemption Date, at any of the following paying agencies:

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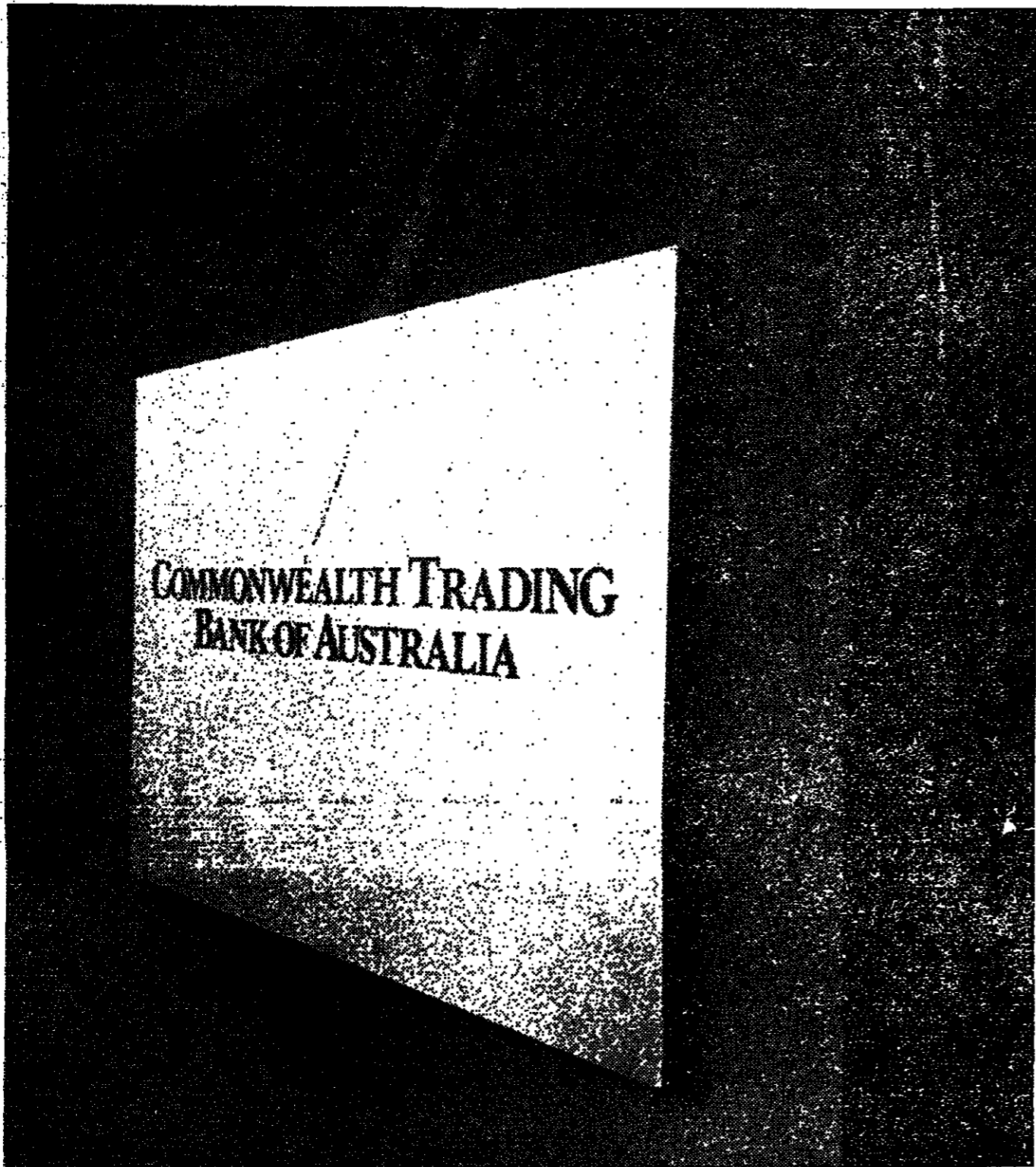
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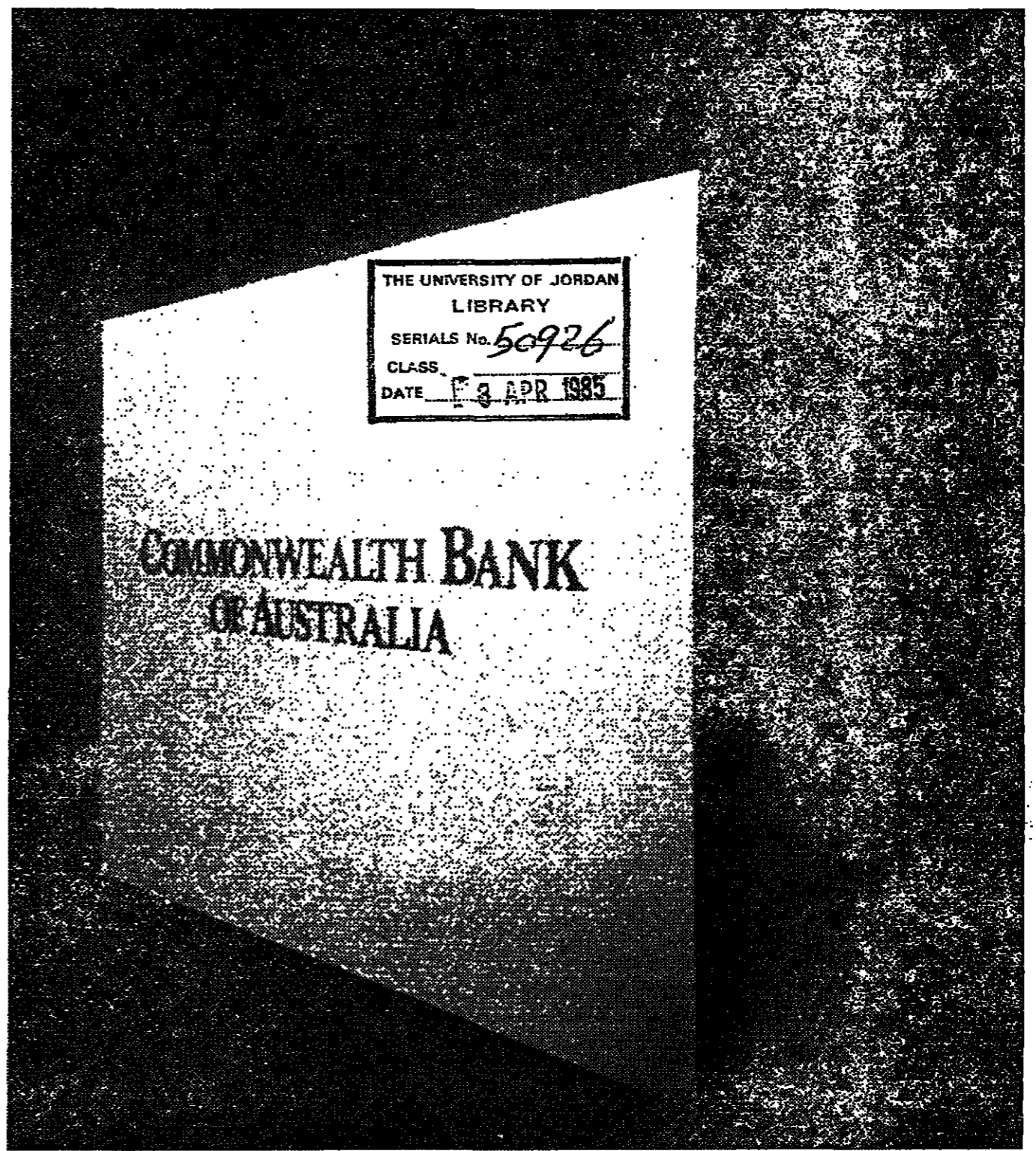
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TECHNOLOGY

ASPECTS OF COMPONENT DESIGN ARE COMBINED BY DAISY SYSTEMS

How to map out complex silicon chips

BY GEOFFREY CHARLISH

DAISY SYSTEMS Corporation, based in Sunnyvale, California, has launched a stand-alone workstation that allows very large scale integrated (VLSI) circuit designers to originate these "super-chips" on screen at high speed.

Engineers can address the complete design cycle from initial logic design right through to mask definition. This includes full simulation of the circuit and its optimisation for test purposes.

Complexity in these circuits has become highly desirable to cut cost in electronic systems — the more components that can be embraced on one "chip" of silicon, the cheaper (and smaller) the system becomes. But with this number approaching a million, the task of originating an error-free design becomes formidable.

The rewards for solving the problem have been high and are growing, because these systems are increasingly needed by high-specification equipment makers whose products are not suited to standard chips. They are designing their own "semi-custom" circuits — pieces of silicon covered in various kinds of standard "cell" (fundamental transistor circuit) which are supplied by the semiconductor company.

The cells are connected together by the user to give just what he wants, in relatively small numbers. Semi-custom chip use is growing fast and is likely to exceed \$2bn by 1988. But whether standard, custom or semi-custom, the problem with these chips is the merely viewing one of them is rather like looking at hundreds of Ordnance Survey maps pasted on the side of a block of flats. Finding a specific road junction would be difficult.

Daisy was only formed in



Most component designers use computer terminals such as this Hewlett Packard graphics system for circuit layout. Daisy's latest workstation integrates many of the individual design steps.

1980 but has cracked the problem so well that net income increased 10 fold to \$2.58m in 1982-83. Revenues went from \$4.5m to \$17.5m.

It has already introduced three successful products: Logician and Megalogician for example, deal with logic and circuit simulation, timing verification, logic analysis, fault simulation and "testability" in large scale (LSI) and VLSI circuits. Cistemaster, introduced in 1982 tackled the tasks of gate-array (semi-custom) design in terms of layout, automatic placing and routing of cells and conductors on the chip.

The latest offering however, called Chipmaster, combines many of these functions in one system powerful enough to deal quickly with very dense VLSI circuits.

The company says that circuit layouts containing millions of transistors are easily handled by Chipmaster's 32 bit database structure. It can address more than 4bn data points in both X and Y axes.

The graphics appear on the screen at speeds that are two to 10 times faster than conventional CAD systems, says Daisy. The system operates directly from the master database and

no intermediate display files are generated, cutting 15 minutes to two hours off each design session.

As with many modern computing displays, "windows" are a feature of Chipmaster. The user can "draw" a rectangle of any size round an area of interest and enlarge it to full screen size. Or, he can place a number of windows in the screen and work on a number of activities at once. The windows can even be "stacked" behind each other in priority order and shuffled to the front as needed.

VIDEO CONFERENCES AT FORD

Chats by satellite

FORD IS the first company to operate a permanent in-house video conference system in Europe, with satellite links between its R and D and manufacturing centres in the UK and Germany.

The system has been supplied by GEC Video Systems of Slough and has involved a total investment by Ford of about US\$1m. It uses a British Telecom Megastream 2 megabit/sec line connection to the UK ground station, where a dish aerial beams the signals to Germany via the ECS-1, European communications satellite.

Ford engineers in Britain and Germany will now "meet" daily to talk and examine drawings and prototype parts on the screen.

The company says the low cost of operating the system will "make communications by satellite viable for the first time in everyday business use."

There are two reasons: transmission of wide-band signals like television is getting cheaper in real terms, and the bandwidth of the picture itself has been sharply reduced using "bandwidth compression" techniques.

The idea is not new, but previous systems occasionally

seriously degraded the picture. Furthermore, participants had to travel to regional studios before the conference could start.

In the new systems, offered by GEC, Compression Laboratories Inc (via Plessey in the UK) and Nippon Electric Company in Japan, acceptable moving pictures can be accommodated within a 2 megabit/sec bandwidth. Less than 1 Mb/s is needed for still pictures or minimal-motion television.

The systems achieve this by examining the picture content of each momentarily-stored frame, element by element, to see if it has changed since the previous frame. If not, no new information need be sent, cutting down the overall rate of bit transmission.

The car company will be using the system for two hours every day, enabling teams of three engineers in Britain and three in Germany to communicate visually. For a further six hours, the conference centres are linked aurally.

Ford says its system halves the cost of sending people around Europe in aeroplanes, and costs only 25 per cent of previous videoconference systems to operate.

Recycling

Waste treatment

DOMESTIC REFUSE and sewage sludge can be recycled into high quality prime materials for use in trade and industry. So says Taylor Woodrow and WMC Resource Recovery, which have set up a joint company to exploit a recovery technique developed by WMC.

Since 1980, WMC has had a demonstration plant operating in Bristol. This is being upgraded to a full scale plant. Taylor Woodrow is being very secretive about the details of the process. It is based on the addition of bacteria to sewage or domestic waste. These act on the waste to turn it into products such as a peat substitute for horticulture, a fibre material for use in the flatboard industry and a fibrous additive to coal dust for a blended fuel.

Woodrow says that in the WMC process very little waste is produced, which reduces the need for landfill or incineration plants. Large cities with a disposal problem may benefit from such a process, for example. The company says that plants can be sited in urban areas.

Taylor Woodrow will build processing plants in modules, each capable of handling a throughput of 700 tonnes of waste daily. It takes about 15 days for waste to be completely converted in a continuous process. More details from the company on 01-561 5533.

Large systems

Text data retrieval

MEMEX, a Scottish electronics company, has licensed its high speed text retrieval system to Gould SEL Computer Systems. The equipment allows specific information to be retrieved from large volumes of unstructured text stored in a computer memory.

It is a mixture of both hardware and software and can deliver data to a screen at speeds approaching one megabyte a second. The system is compatible with Gould's Concept/32 family of superminicomputers and runs under the control of the Unix operating system. More details from Gould in Sutton, Surrey on 01-463 0820.



Education

Braille typing

ESSEX UNIVERSITY has developed a system that will convert Braille typing by blind students into printed text for assessment by sighted teachers, at the same time producing synthesised speech as an assistance to the writer.

The keyboard has the nine keys used by blind writers on machines that normally produce embossed Braille tape. Instead, the new machine, called the Essex Speech Writer, converts the symbols entered at the keyboard into printed English text via a microprocessor. Simultaneously, a speech synthesiser produces the spoken version.

At present the machine will recognise the most basic level of Braille characters but it is expandable to include higher level contractions at a later date. The synthesiser can speak the text letter by letter in spelling mode or word by word using a set of general pronunciation rules. More on 0206 362286.

Design

Engineering computers

DATA GENERAL in the U.S. has introduced a series of graphic and engineering computers plus an office automation system based on a compact 32-bit micro-computer.

The company said that the two engineering computers called distributed systems 4000 and 4200, include high resolution colour graphics. They are for use by individual engineers. Eclipse MV-4000, the office automation product, extends Data General's current line. It can be used by up to eight people. The computers are priced between US\$35,500 and \$59,000.

STORAGE SILICON CHIP PLUGS INTO MACHINE CONTROLS

Memories for manufacturing automation

A NOVEL use in automated manufacturing for one of the most exciting new memory chips has been developed by Lang Electronics, part of Vickers Systems.

It has built a programmable controller using a plug-in memory unit based on a memory chip which retains its program when the power is

turned off, yet can be reprogrammed simply and electronically. The memory is called an electrically erasable programmable read only memory (or EEPROM for short). It is fashioned in a technology called CMOS which gives high performance at low power.

The Lang system comprises two units, a hand held programmer, a little like a profes-

sional pocket calculator, and the control unit itself.

The memory chip package (called early "My Memory" which could doom the device from the start) simply plugs into the head programmer and is programmed using only six words of command.

"These commands," Lang says "can produce extremely accurate programming of most

complex processes, and the control unit has 36 input/output terminals to provide accurate control of machines and systems."

The memory unit is then plugged into the controller to operate the machine or system. The EEPROM can be rewritten about 1,000 times. Lang claims and stores 2,048 words of data. More on 0952 586000.

CONCRETE COATING PROTECTION

Acrylics resist damp

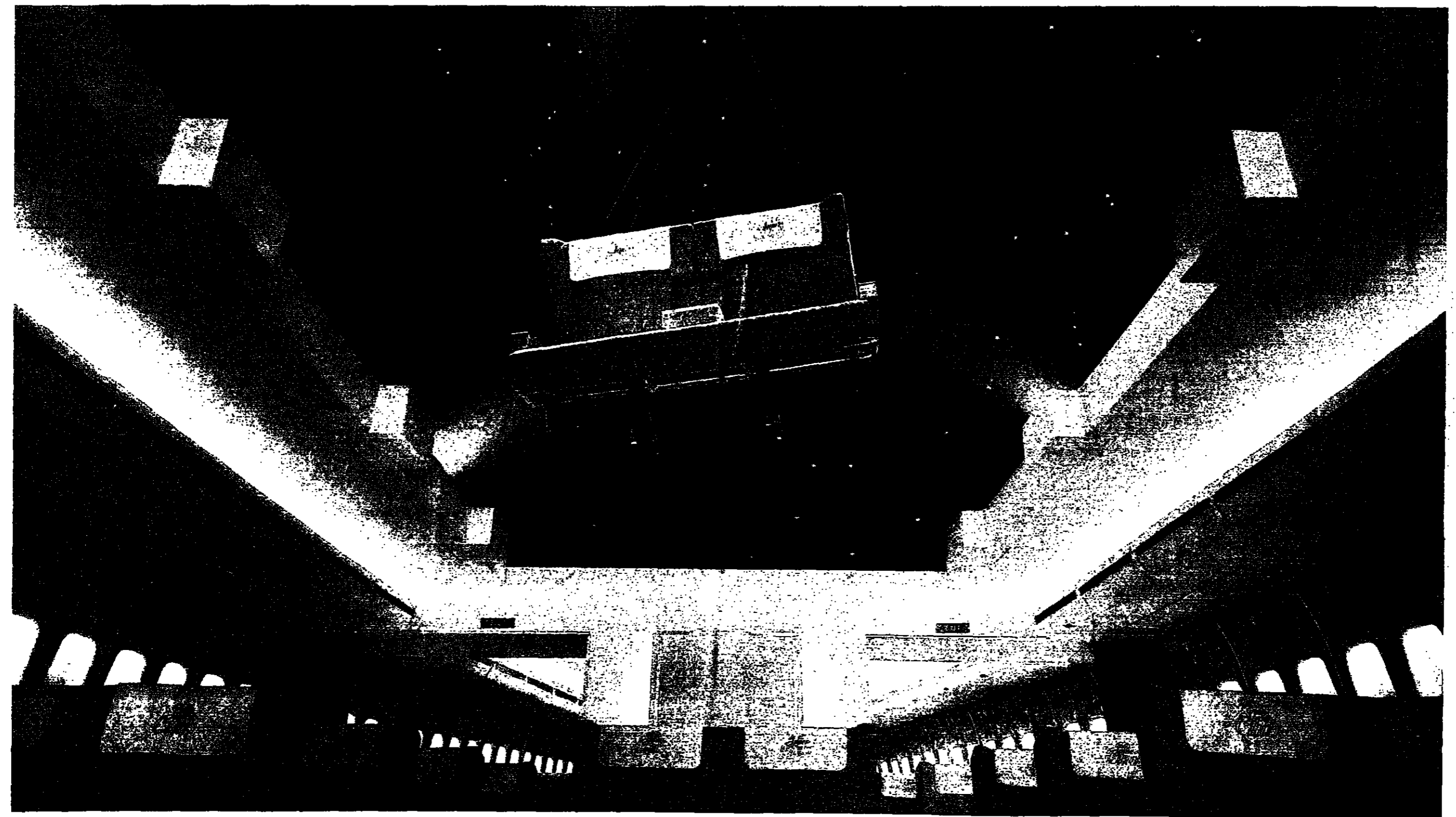
DETERIORATION of reinforced concrete prefabricated houses is mainly caused by rust and damp. Deck Technology, of Bridgend, has developed a coating which, it says, eliminates both.

While working on boats and oil rigs in America, Bernard Beechey—now managing director of Deck Technology—saw that water resistant acrylics were effective in preventing decay. He realised that these could be applied equally successfully to houses. On his return to Wales, he developed the coating and termed it "Environmental Barrier" because it prevents the elements attacking houses.

Steel-reinforced houses are built like "Meccano" sets on site. Although they remain in good condition for a period, constant exposure to carbon dioxide in the atmosphere causes the steel to rust. As it rusts it expands, forcing the concrete layer outside the steel to crack or disintegrate. Dampness is the inevitable result and some houses in this condition

have to be demolished. The coating can prevent this. Deck Technology operated a five-month trial on one house in the Ogwr borough of South Wales. "The house faced a westerly direction," says Bernard Beechey. "And when it rained, water poured in. Decor and carpets were ruined. But after our team had painted and sprayed the six different layers of acrylic resin which make up Environmental Barrier the house was dry."

The Polytechnic of Wales is conducting tests to establish the coating has a long-term life. A brick painted with Environmental Barrier was boiled in a laboratory for 50 hours. Even after this harsh treatment the coating remained intact. Deck Technology now offers a 10-year guarantee. It costs £1,200 to coat an average-sized house, and after its successful trial in Ogwr the authority has invited Deck Technology to protect 40 other houses in the area. Interest is also being shown by seven other South Wales local authorities.



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UK NEWS

UNIONS AT REFINERY AGREE TO ABOLISH CRAFT DEMARCATION

Radical efficiency drive by Mobil

BY BRIAN GROOM, LABOUR STAFF

THE EYES of much of British industry will be watching the progress of a radical new agreement between Mobil Oil and its unions to abolish craft demarcations among maintenance workers at the Coryton refinery, Essex.

From September 3 they will all have the title "refinery craftsman" and be free to do any task which they are skilled enough to do safely.

Mr John Dowsett, until recently the union convenor, who has been closely involved with the agreement, said: "At the very worst we couldn't be worse off than other refineries, and at best could be 100 per cent better off."

Abolition of craft demarcations is not in itself unique, but other exam-

ples are mainly on greenfield sites like Esso Chemicals at Moss Moran, Scotland, where production tasks and 10 craft trades have been combined into a single class of worker who alternates between maintenance and process work.

Mobil's deal is important because it is on an established site with historical demarcations and thus its experience will provide lessons for much of industry.

● A shake-up of the refinery's current chain of command of foremen, supervisors and superintendents. Foremen will be abolished, and supervisors transformed into "area controllers" with the role of technical advice, work planning and "people development."

● The piling of huge resources into training to broaden the workers' skills, and also behavioural training in areas like team work and listening skills - techniques normally reserved for managers and supervisors.

● Extra pay rises from September of 0.5 per cent plus £150, on top of the 4.5 per cent general annual increase which was paid in May. The working week was cut from 40 to 37½ hours from June 1.

● Replacement of the present union representation system giving

each trade a seat on the joint shop stewards committee, with one in which each of the three areas of the plant will elect two stewards to represent them regardless of trade. If any of the five unions concerned fails to win a seat, it will have a member co-opted onto the committee but with restricted rights.

● Eighty-six job losses among the manual maintenance workers - with another 36 later - and 20 among the white-collar supervision staff. Mobil will contract out jobs not requiring skills specific to the refinery, such as vehicle maintenance, scaffolding and lagging.

● Craftsmen have agreed in principle that process workers will be allowed to do some maintenance tasks, such as simple spanner work involved in opening flanges.

Not all, however, will become complete Jacks-of-all trades. Specialist tasks like mechanical work with high-tolerance compressors and turbines will remain restricted.

The problems to be overcome are considerable. Coryton is near bottom for maintenance cost-efficiency in British refineries. Mobil hopes the deal will at least push it into the upper quartile.

balance between hope that their potential for acquiring skills will be more fully realised, and fear that they may not be up to what is demanded of them.

Much will depend on the success of behavioural training.

Mr John Flynn, the joint training project manager said: "Most resistance to change is not about coping with the technological impact, it's to do with the impact on human relationships. Our job will be to help Mobil employees to deal with these, check out their assumptions and beliefs about each other, and help them to move away from traditional habits of thinking and behaving."

Mobil intends to make training a continuous process.

It believes the new pay rates will bring its craft workers on to a par with those at Esso's Fawley refinery in Hampshire, which has been in the forefront of productivity bargaining since the 1960s.

So far Mobil's agreement is only a framework, which needs to be turned into solid achievement. If it succeeds other companies will take note. This would accelerate the changes in working practices taking place across British industry.

Thatcher may back new Ulster initiative

By Margaret Van Hattem

A HOUSE OF Commons debate today on Northern Ireland will be listened to intently for any indication of whether Mrs Margaret Thatcher, the Prime Minister, will give her full backing to a fresh attempt to unblock the political stalemate in the province.

No major proposals are likely to be unveiled today - but there are signs that there may be a major new initiative later this year and that, so far, Mrs Thatcher is backing it.

Today's debate will be on the report of the New Ireland Forum "and other documents" - a formula which permits debate on not only the nationalist case, as set out in the forum report, but also the unionist case, as set out in documents prepared by the Official Unionist Party and the Democratic Unionist Party.

All these documents contain much of the uncompromising wording that has killed political life in Northern Ireland. But there are hints of a readiness to resume talking.

The last big initiative on Northern Ireland - the setting up of the Assembly two years ago - was nearly sabotaged by the efforts of a group of right-wing Tories sympathetic to the unionists. Amid the general apathy over the province's affairs and signals that they had the tacit support of the Prime Minister, they were able to give Mr James Prior, the Northern Ireland Secretary, a rough ride.

Several things have since changed. Relations between Mr Prior and Mrs Thatcher appear to have improved. There is rising concern over the political progress by Sinn Fein and the degree to which the political stalemate is promoting their cause.

The Irish Government hopes that today's debate will open further the doors Irish nationalists sought to open by producing the forum report. Although the report sets out options for re-uniting Ireland and for joint Anglo-Irish administration of the province, it stresses the willingness of Irish nationalists to discuss any other proposals.

Irish ministers have recently gone out of their way to praise The Way Forward, the document produced by the Official Unionists.

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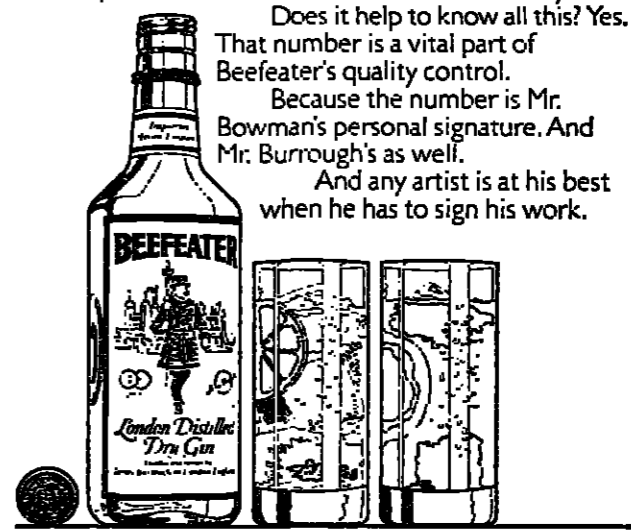


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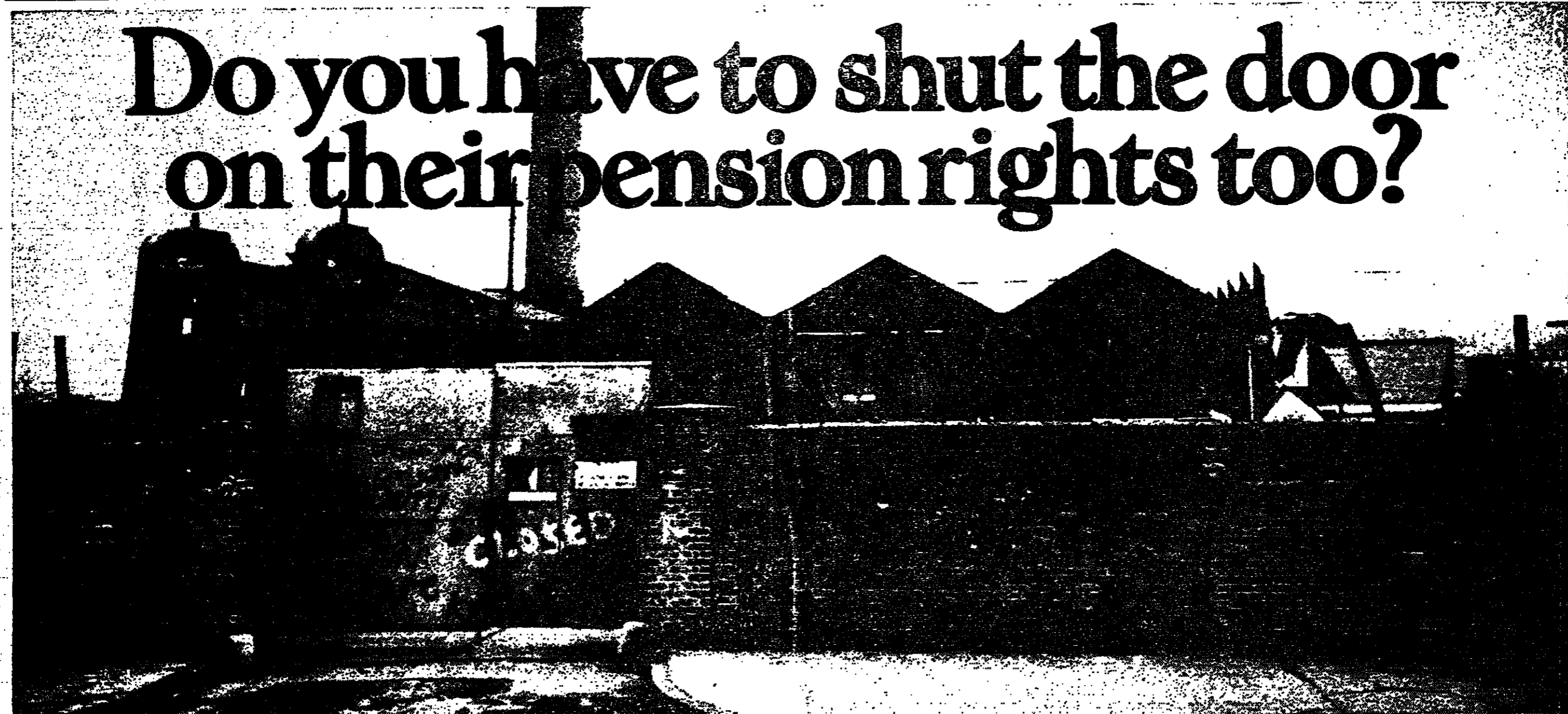
Managers in contest finals

By Michael Dixon

FOUR TEAMS of managers will meet in London today for the finals of the UK management championship sponsored annually since 1970 by the Financial Times, ICL and the Institute of Chartered Accountants in England and Wales.

The contestants for the £2,000 first prize include last year's winners, Mr Geoffrey Brown of Shell UK, Mr John Chappell and Mr Paul Webb of Rank Xerox.

Their challengers include a team from M and G which came third in the 1983 national event. The other two are W. W. Johnson and Son, the Lincolnshire agricultural company, and a five-strong private entry under the name of Mancon.



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UK NEWS

Concessions on Insolvency Bill considered

BY RICHARD LAMBERT

THE GOVERNMENT is planning to make a concession over the most controversial aspect of its projected Insolvency Bill. As a result the directors of companies which have been compulsorily wound up will not automatically be disqualified from the management of any other company for a three-year period.

This tough penalty, which was put forward in a White Paper (government policy document) published at the end of February, has been the subject of much hostile comment in the past few months. Critics have argued that it could discourage people from acting as non-executive directors, and thereby deprive companies of a valuable source of outside advice.

Sir Kenneth Cork, head of the Insolvency Review Committee whose

recommendations formed the starting point for the White Paper, said the sanction was probably too harsh to get through Parliament.

In response, the Government now intends to propose that directors of a company which has been compulsorily liquidated would have a period of three months in which they could try to persuade the court that they should not be subject to the three-year ban. They would have to show that they were not to blame for the company's troubles - perhaps because they had not spent long on the board.

Mr Alex Fletcher, minister with responsibility for corporate and consumer affairs at the Department of Trade and Industry, will give details of the concession in a speech in the next few weeks.

Ex-Lloyd's broker to sue over Fidentia

BY JOHN MOORE, CITY CORRESPONDENT

MR CHRISTOPHER MORAN, the former Lloyd's insurance broker, has started civil proceedings over the controversial Fidentia affair in the Lloyd's insurance market.

A writ was issued in the High Court on Friday and is expected to be served today against Mr T. Raymond Brooks and Mr Terence Dooley, and eight other defendants in connection with the Fidentia affair.

Mr Moran is suing in his capacity as a member of one of the Lloyd's insurance syndicates managed by Mr Brooks and Mr Dooley.

Mr Moran's action has been prompted by an internal Lloyd's report on the relationship of the Fidentia Marine Insurance Company of Bermuda with Mr Brooks and Mr Dooley, who ran the Brooks and Dooley underwriting agency at Lloyd's.

The report on Fidentia found that reinsurance contracts had been arranged by Mr Brooks and Mr Dooley in a way which provided financial benefit to Fidentia, which they both controlled, at the expense of syndicates under their management. Fidentia gained a net £8.2m.

In the writ launched by Mr Mor-

an he is claiming damages from Mr Brooks and Mr Dooley for alleged deceit and/or breach of contract and/or breach of fiduciary duty "in and about their activities as active underwriters and deputies of Syndicate 88" from 1973 to 1977.

Mr Moran is also seeking damages against other companies.

The others named in the action are Brooks and Dooley (Underwriting) Ltd, Dugdale (Underwriting) Ltd, Brookgate Investments Ltd, Bellew Parry and Raven Ltd, Alexander Howden and Swann Ltd, Glanville Enthoven and Co (Reinsurance) Ltd, Clarkson Puckle Marine Holdings Ltd, and H. Clarkson Marine Holdings Ltd.

He is claiming damages against Bellew, Parry & Raven Ltd, Alexander Howden and Swann Ltd, Glanville Enthoven and Co (Reinsurance) Ltd, Clarkson Puckle Marine Holdings Ltd, and H. Clarkson Marine Holdings Ltd alleging breach of fiduciary duty.

Mr Moran is also alleging conspiracy against all the defendants and claiming damages.

All the defendants are expected to contest the action.

ACTION PLANNED OVER THREAT TO RECOVERY

Skill shortages cause alarm

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

TWO high-level initiatives are being taken because of fears that a shortage of skilled workers could undermine Britain's economic recovery. There is alarm in the engineering industry, in particular, about a lack of employees with high technical qualifications.

The first initiative is by a committee which includes senior industrialists and academics under the chairmanship of Mr John Butcher, Under Secretary for Industry. The committee will examine the problem and it plans an interim report before the parliamentary recess in the summer and a final version in the autumn.

It is also likely to commission a detailed research inquiry, but this could take 18 months to complete and members of the committee are insisting that remedial action must start before then.

In a separate move to tackle deficiencies in UK industrial training - the root cause of skill shortages - the Manpower Services Commission (MSC) is to present industry with an action plan by September.

Mr David Young, MSC chairman, said: "It is no use just having fine words. The facts are known. We have to come out with a programme for action. We do not have too much time. The feeling is that if we do not do something as a nation in four or five years, it will probably be a waste of time."

The MSC action plan will be based on the evidence of an Institute of Manpower Studies report showing that the U.S. Japan and West Germany have a much greater commitment to industrial training than the UK. Employers in these competitor countries have increased spending on training during the recession.

UK engineering companies went into the recession with shortages of craftsmen and draughtsmen. The concern is now about shortages of technicians, technologists and graduate engineers.

There are about 180,000 technicians working in engineering - 9 per cent of the total workforce - and these employees will play a vital part in the industry's future success. Yet the intake of apprentices for technician and craft training this year was a record low of 8,700, about 15,000 below annual recruitment in the mid-1970s.

The Engineering Industry Training Board calculates that, because of the low apprentice intake of recent years, only 4,000-5,000 newly-trained young technicians a year will enter the industry between now and 1987. Retirements, promotions and other natural wastage will take out 6,000 technicians a year.

Concern about the future supply of employees with high technical skills has reached a point which di-

rectors of some engineering companies regard as a crisis.

Mr Glyn Trollope, personnel director of GEC, spoke of a "national and fundamental problem" when he led a delegation from leading engineering companies to the House of Commons last week. The delegation was seeking support for a government-sponsored agency to identify and correct shortages of technological skills.

The proposed agency would be able to grant public funds on a selective temporary basis until a particular shortage was cured.

GEC companies have hundreds of unfilled vacancies for technologists and technicians. Mr Trollope said the problem was getting worse. At Plessey, where 3,500 technologists are employed, a study concluded that work could be found for 700 more if such people were available.

Mr Parry Rogers, Plessey's director of personnel, said: "The one thing which can stop our company doing all it is capable of is skill shortages. There is a problem, but we must not all go around saying it is too late. If we create a new partnership between government, industry and education, the problem can be solved."

Skill shortages in engineering are aggravated by the fact that electronics-based skills are increasingly in demand outside the industry.

NOTICE OF REDEMPTION

To the Holders of OWENS-CORNING FIBERGLAS FINANCE N.V.

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NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of August 1, 1981, as supplemented, providing for the above Debentures, \$1,930,000 principal amount of said Debentures have been selected for redemption on August 1, 1984, through operation of the Sinking Fund, at the redemption price of 100% of the principal amount thereof, together with accrued interest to said date, each in the denomination of \$1,000 bearing serial numbers with the prefix letter "M" as follows:

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02	05	14	15	16	17	20	21	22	23	24	27	28	29
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Also Outstanding Debentures with the following serial numbers:

3	4	7	542	1442	1542
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On August 1, 1984, the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons operating thereto maturing to alter the redemption date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, N.Y. 10015 or (b) subject to any laws or regulations applicable thereto in the country of any of the following offices, at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London, Paris, Zurich or the main offices of Bank Mees & Hope NV in Amsterdam, Kredietbank S.A. Luxembourg and Credito Romagnolo S.p.A. in Milan. Payments at the offices referred to in (b) above will be made by check drawn on a bank in New York City or by a transfer to a dollar account maintained by the payee with a bank in New York City.

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OWENS-CORNING FIBERGLAS CORPORATION

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Notice that in accordance with Article 9 of the Conditions of Administration, holders of Depository Receipts or their representatives are not allowed admissions on the meeting unless they have deposited their certificates at the office of the Stichting at least three days prior to the meeting, or unless they have deposited with the Stichting a statement from a bank that such certificate will be held in its custody until the end of the meeting. Notice that agenda of the meeting and the annual accounts 1983 have been deposited at the offices of the Stichting at the aforementioned address and a copy thereof will be sent upon request to any holder of depository receipts.

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Table with 10 columns of bond numbers (e.g., 1000000000, 1000000001, etc.) and 10 rows of data.

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2nd July 1984 Airlease International Finance Limited

UK NEWS

Andrew Fisher on a market where several British groups lead the world
The paperchase for specialists

"YOU HAVE to pick a niche and make it yours," said Mr Jeremy Leigh Pemberton, managing director of Whatman Reeve Angel, maker of specialised papers for the scientific, industrial and art markets.

Innovation, alertness and marketing aggression are all at a premium in the specialty paper market. Several UK companies are world leaders in their various products, with much of their output going abroad. Research budgets are high and competition is tough.

Throughout the recession, they mostly maintained investment in new equipment and modernisation. In 1984, they are seeing demand continue to recover and profit margins widen. But they still face considerable problems, not least the strength of the dollar.

Biggest in the specialty sector is Wiggins Teape, part of BAT Industries and prominent in the carbonless paper market. It has invested about £130m in the past five years and spends some £4m annually on research and development.

On a smaller scale, the Maidstone-based Whatman Reeve - it also makes industrial filter equipment - has kept up the pace of investment, spending some £400,000 to £500,000 a year. Last year, it relaunched its special art paper range after an absence of some 20 years from the market.

Table titled 'UK paper output ('000 tonnes)' with columns for 1983, 1981, and 1983. Rows include Newspaper, Printing and writing, Corrugated case, Packaging papers, Packaging boards, Household, toilet papers, tissues, Industrial and special purpose, and Total.

Source: British Paper and Board Industry Federation

It has begun selling fibreglass-based papers with different layered densities for industrial L'Etalon and air pollution control. The company has just received its first commercial order for this.

"It will be a premium, not a high-volume product," said Mr Leigh Pemberton, whose brother is Governor of the Bank of England. The company sets its prices accordingly, not simply covering costs with a small margin of profit on top, but seeing what the paper is worth to the user.

"We don't rush round trying to fill our machines," he added. "What's important is niche marketing and specialisation." In the straight laboratory market, Whatman has long seen the signs of market saturation. The trend is for less of the costly paper to be used - "they don't scribble on it or use it for blotting paper any more" - and for more reliance on electronic analysis.

About 70 per cent of the company's papers are exported, mostly to the U.S. Pre-tax profits, including the non-paper side, were 37.5 per cent higher last year at £3.5m. At Wiggins Teape, where profits rose in 1983 from £11m to £26m, there is also a strong emphasis on markets beyond the UK. "We can't see the UK in isolation from the U.S., Europe and Japan," said Mr John Berry, head of the company's UK operation.

to try and offset higher raw material prices. It makes paper for tea-bags and continental sausage casings. The raw material is hemp from the Philippines and Ecuador. Because of currency movements and problems of availability, hemp prices have risen by over 60 per cent this year, said Mr Eddie Hasselder, sales director.

The rise in Indian tea prices in the UK has also hindered the market, and Crompton now exports well over half its tea-bag papers, Dexter of the U.S., with a plant in Scotland, is its main competitor.

The increase in production, along with price increases, meant that Crompton's pre-tax profits rose by around a quarter to nearly £1.5m in the first five months of 1984. The company is planning a move into the medical market.

With the U.S. paper market roaring ahead as economic growth continues at a rapid clip, a good deal of European paper is sent across the Atlantic. Some executives worry that problems could occur when this boom tails off.

"It's endemic in the paper industry that when the better times come, people immediately start putting down new plant," said Mr Ronald Wylie, chief executive of Tullis Russell, the Scottish company. It opened a £12m coating plant for its new glossy magazine paper two years ago and ran smack into the effects of recession. But Tullis Russell has added to the range and begun pushing into the rest of Europe, especially Germany. With other paper concerns, it has taken a hard knock from the pulp price boost.

The cost of cotton, used by Fortals for its banknote paper, of which 80 per cent is exported, has also risen substantially. Business has picked up in 1984 after a slow start, but companies in France, Germany and Italy are providing strong opposition.

Initiative taken on computer technology

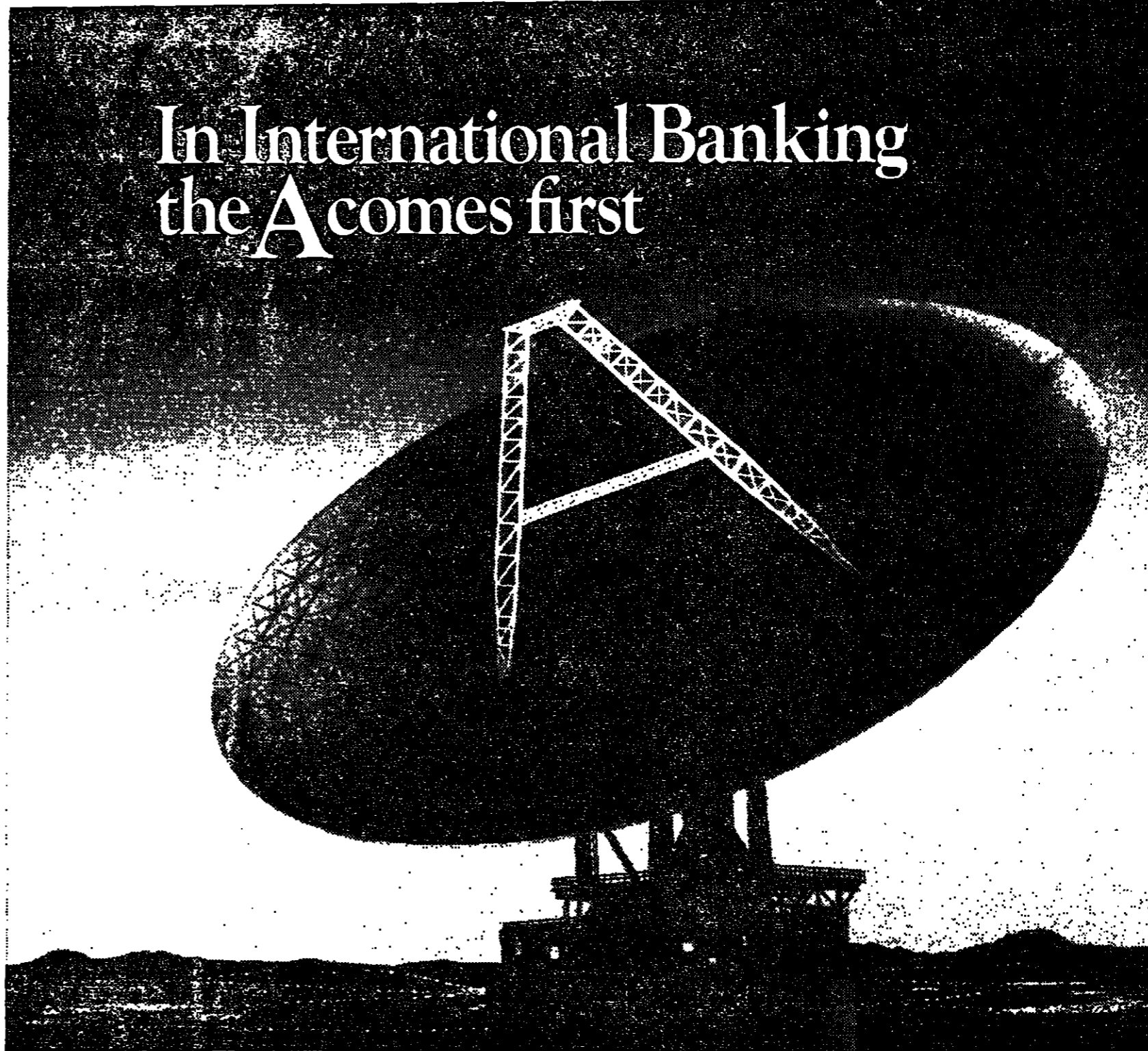
By Alison Hogan
THE INSTITUTE of Chartered Accountants in England and Wales is to set up a data retrieval service for its members as part of an initiative to establish the profession as leaders in the provision and control of information services to British business.

It has agreed with the European Law Centre, a subsidiary of the International Thomson Organisation, to develop an on-line information retrieval system with a data base covering taxation law and practice, accounting regulatory material and the contents of companies' full statutory accounts.

It will also have the facility to provide a software library, an electronic mailing system and training programmes for institute members. The institute has set up a number of projects to raise its profile in respect of information technology. Mr Brian Jenkins, vice-president of the institute, told members at the annual conference on Saturday the Government had not been consulting fully with the institute on information technology development.

He warned that, if accountants did not move quickly and decisively, information technology technicians could take over the profession's traditional responsibility for the creation and dissemination of management and financial information.

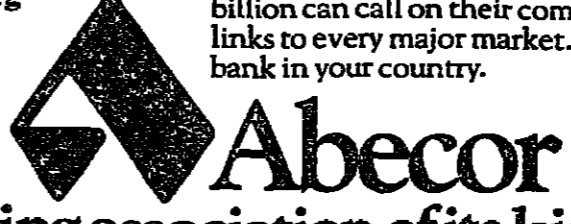
Mr Kenneth Baker, Minister of State for Industry and Information Technology, told the conference he thought the accountancy profession had been "a bit on the slow side" in adopting the new technology and he welcomed their initiative. The Department of Trade and Industry is sponsoring a study into information technology and the accountancy profession. It will be undertaken in the next couple of months.



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UK NEWS

CBI set to urge £6bn public services cuts

BY SUE CAMERON

THE Confederation of British Industry is expected to call today for cuts of about £6bn in the public services in the next three to four years. Details are due to be released this morning in a CBI working party report entitled *Efficiency in the Public Services*. It is believed to call for better managerial efficiency in the National Health Service, local authorities and in Whitehall.

The CBI gave warning of its intention to demand further substantial savings in the public sector when it published a report on Britain's infrastructure ten days ago. In that report it urged the Government to spend an extra £300m a year on roads in the next decade and said: "Continued and concerted action to improve public sector

management can provide savings more than sufficient to finance our programme of increased investment in the infrastructure."

The CBI believes that the scope for economies in the public sector is greater now than it was three years ago, when a CBI working party identified potential savings of up to £3bn a year.

The latest working party, chaired by Mr Malcolm McAlpine of the construction group, has evidently found that considerable inefficiencies remain in the public sector. It reckons that the "way to achieve lasting and substantial savings in public current expenditure is to improve management practices and attitudes and to make those employed throughout the

public sector more responsive to the needs and demands of the consumer."

Today's report is expected to welcome the savings initiatives which have been taken by the Government, particularly in slimming down Whitehall itself. But it is likely to attack overmanning and weak management in local government and the NHS.

The recession has forced industry to axe jobs, close plants and raise its standards of efficiency. But CBI leaders believe that despite some improvements, there is still much room for the public service sector to cut its manpower and sharpen its management as manufacturers have done.

Insurer's pension proposal attacked

By Barry Riley

THE council of the National Association of Pension Funds is alarmed that Mr Norman Fowler, Social Services Secretary, is taking seriously a plan devised by the Legal and General insurance company to permit individuals to contract out of the state earnings-related pension scheme.

The NAPF, which represents Britain's occupational pension schemes, is worried that Mr Fowler is listening to groups such as insurance companies which have vested interests in the portability of pensions. Potentially this could open up a vast new market for personal pension plans.

Mr John Jolliffe, a member of the NAPF council, has produced the paper analysing the Legal and General scheme, which proposes that insurance companies should be able to claim a National Insurance (NI) rebate on behalf of pension clients. This rebate would be invested in the clients' personal pension plans.

Broker fears market muddle

BY OUR FINANCIAL EDITOR

A NEWLY elected member of the Stock Exchange Council has attacked the argument that the ending of fixed commissions on the trading of stocks and shares must mean an immediate ending of the separation of brokers and jobbers in the London stock market.

Mr Jonathan Miller, a partner in stockbrokers Fielding Newsome Smith, questions the so-called "link" theory in an article in the July issue of the journal of the Society of Investment Analysts. This argument, widely held in the London securities market, says that fixed commissions and single capacity (the strict separation of broking and market-making) are linked together.

However, Mr Miller, chairman of the SIA, suggests that there may be

insufficient financial information available about stock market firms to justify the link theory. He says that the 1981 Commission Review document published by the Stock Exchange was a "model of obscurity." Now he aims to stimulate the release of information which is essential to sensible commercial planning.

His estimates indicate that market-making generates relatively low profits and cannot therefore provide a route for brokers to make good the expected loss in their income as a result of reduced commissions on agency business.

Mr Miller accepts that there may be other good arguments for phasing out single capacity, but he suggests that market-making reform and commission reform need not

happen simultaneously in a so-called big bang. A more orderly process "must be far more in everyone's interest than the terrible muddle towards which we now seem to be heading."

Besides the risk that the regulators will make a mess, doing too much at once, Mr Miller gives warning that a large and unnecessary injection of capacity may be brought into the broking system - because people believe that brokers should also be jobbers - just when it ought to contract.

"If the costs of the industry have been irrationally increased by surplus capacity which is to be squeezed out by a few years' bad trading, the public will end up paying more than they ought," he says.

Businessmen in government urged

BY SUE CAMERON

SIR JOHN HOSKYN, the new director general of the Institute of Directors, today calls on UK companies to send many more of their brightest people to work for a time in government.

Sir John says that although directors must concentrate on their own businesses, "government is also their business." Britain is an ex-

traordinarily compartmentalised society and this is a great source of weakness. In an interview published in *The Director* magazine, he says: "Between academics, the professions, the civil servants, most politicians and businessmen, the interchange is almost non-existent. There is no real meeting of minds because

these different groups lack any shared experience. Sir John, who headed the Prime Minister's policy unit from 1979 to 1982, is highly critical of Whitehall's present organisation. He says there is no central group trying to "pull all the Government's policies together" - a theme he pursued while heading the policy unit.

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Eric Backlund, Public Relations Director
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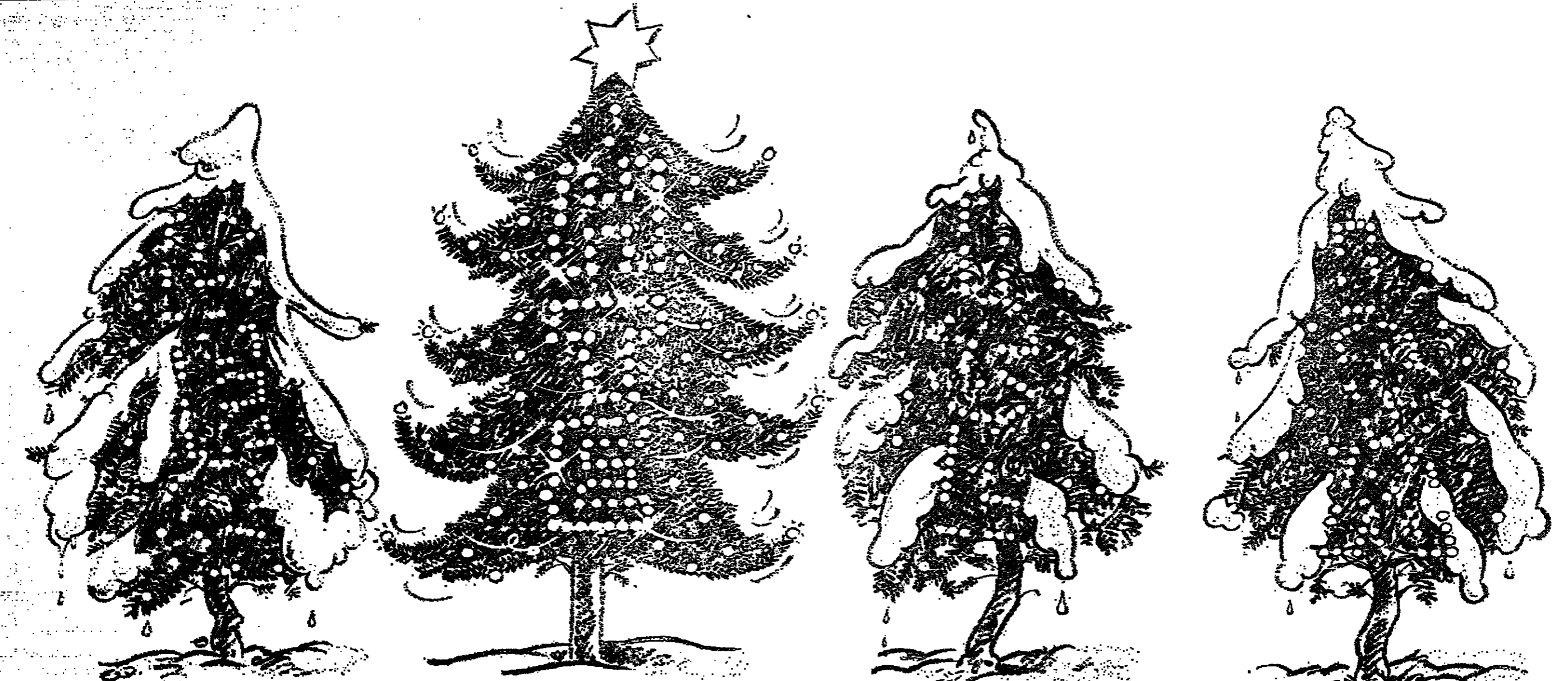
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Of all the electronics companies Norwegian television talked to, guess who they found most illuminating?

Contrary to what your licence fee might suggest, television companies are not made of money and are no more averse to lowering costs and boosting productivity than the rest of us.

And some TV companies, indeed, are made of even less money than others.

Norwegian Television, for example, had been round the International houses of the electronics industry looking for a relatively simple caption-generator that could be remotely

controlled by a single operator, leaving him free to carry on with cheery announcement and continuity the while.

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in producing tailor-made solutions rapidly and cost-effectively, and secondly, we happened to have produced exactly what they needed for the BBC.

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and intriguing electronics problem, it could be time to put yourself in the picture about HTE. In other words, Action please!

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THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

THE DIRECTORS and shareholders of the Redland construction materials group may witness a change on Friday when a company called Sarasota Technology publishes its prospectus.

For the terms of its offer for sale are likely to put a valuation on this traffic products, fluid measurement and instrumentation concerns of around £20m — a hefty premium on the £5.4m which Sarasota's managers and a handful of institutional shareholders paid Redland for the business just over two years ago.

Sarasota is not the first of the recent crop of management buy outs to seek a full Stock Exchange listing — there was DFCE, the computer maintenance company this time a year ago — but it is one of the more interesting to turn full circle and reappear in the public gaze.

Founded in the mid 1950s by an American inventor/engineer named Merton Wilcox, the company's fortunes over the past 20 years have been closely linked with the character and ambitions of its present managing director and largest private shareholder Ian McCue. McCue, 47, singlehandedly set up Sarasota's British operation in 1965 and since then has certainly put his personal stamp on the group.

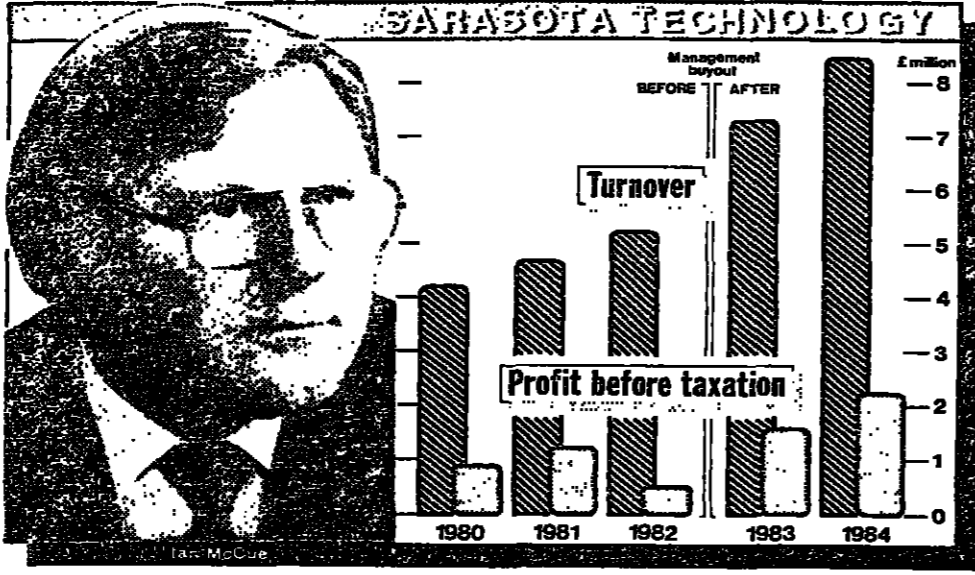
He organised, for example, the sale of Sarasota to Redland in the mid 1970s on behalf of its then American owners before leading what appears to have been a highly successful management buy out operation six years later.

He has promoted a management philosophy based on applying Sarasota's technical and scientific skills to specialised "niche" markets and concentrating on quality and reliability.

And he has planned the forthcoming Stock Market listing which, besides cashing in on two sets of unexpectedly good results, is intended to pave the way for further growth in the years ahead.

The challenge facing him — and a point for investors to ponder — is whether his proven entrepreneurial skills are the right sort of qualification for growing a substantially bigger company (an ambition which is his declared aim). A strong character whose personal energy will probably dictate the rate of expansion, he is nevertheless going to have to delegate more day to day responsibility as the company's horizons get wider.

Sarasota's present workforce of 240-30 in the United States, the rest in Britain — design, manufacture and sell electronic transducers, sensors and related microcomputers for products which (among other things)



A buy-out returns to the public gaze

Tim Dickson explains why Sarasota Technology is going public

detect the flow of traffic on a road, and measure the density, flow and level of fluids in the oil, gas and petrochemical industries. When Ian McCue first came across Sarasota's Merton Wilcox in the mid 1960s however, the American company was concerned purely with vehicle detectors for the rapidly growing automatic car parking and traffic control industries.

Having attempted in vain to start his own business in this field — the banks weren't interested and there was no venture capital to speak of — McCue travelled to the U.S. where he successfully persuaded Wilcox to put up \$25,000 to start a UK subsidiary called Sarasota Engineering.

In spite of having this capital base, money initially was desperately tight since the Bank of England effectively prevented a foreign-owned company from borrowing in the UK. Recalls McCue, "This had the important effect of forcing me to become my own banker and watch my cash flow. I had one scare after three months when a major customer didn't pay and I couldn't pay the wages. I had to sign a personal survey and I've never forgotten it. For the next 10 years the company didn't borrow a penny from the banks."

By the mid 1970s Wilcox was approaching retirement and Sarasota, which had grown steadily over the period, was put up for sale. No one would have been surprised had an American buyer appeared on the scene but McCue, anxious to avoid working for "a faceless American corporation" was instrumental in finding Redland, a major British group which had recently bought a road markings business, and thought it and Sarasota might fit together.

(Even this far back McCue was thinking of buying the company himself but decided that the financing costs would be too steep.)

The Redland deal — netting Wilcox and his friends \$5.5m — finally proceeded later than anticipated in early 1978 once the Stock Market had recovered from the traumas of 1974.

Although Sarasota was largely left to its own devices and continued to generate cash for its new parent, the relationship between Redland and its new subsidiary ultimately became strained. Redland wanted Sarasota to grow rapidly from its then relatively tiny £2m sales into a fully fledged division with profits of perhaps £5m to £6m. But McCue, while keen to get bigger, had different ideas about the optimum pace of development. "I felt their plans would destroy the essence of the company, which is its products and its people," he explains today.

Ironically, McCue — once Redland had made the decision to divest — was again given the task of finding the most suitable buyer. And although the name was widely hawked round the most likely purchasers on both sides of the Atlantic, he was determined personally to organise the successful bid.

Eventually CIN, the industrial development arm of the National Coal Board pension fund, Equity Capital for Industry (ECI) and Barclays Development Capital put together a package which enabled the management to subscribe roughly £200,000 for a 25.1 per cent stake (under the terms of what was an unusual agreement this was to be raised automatically to 40 per cent if certain profit related targets were achieved).

Sensitive to suggestions that Sarasota was "given away," Redland is adamant that in spite of the interest expressed at the time by major customers like GEC no other firm offers were made "and if there had been one in excess of £5.4m we would not have hesitated in taking it."

Neither side, however, denies that there was much haggling

over the price. The calculation was made much more difficult by the substantial element of goodwill in the final terms — an unusual feature at that time since buy-outs were more generally negotiated at prices which reflected a discount on net assets.

Ironically, perhaps, a significant slice of Sarasota's growth in sales and profits over the last two years can be attributed to investment and diversification during the Redland "era."

In 1978, 100 per cent of the company's sales came from traffic products but that year an individual called John Newman arrived to form the Environmental Systems Division, and started developing a range of electromagnetic and ultrasonic river flow meters for the water industries (the products now account for 5 per cent of total sales).

A more substantial step was the acquisition in 1979 of the Houston, Texas, and UK interests of Agar Instrumentation. This doubled Sarasota's size, greatly improved its technological skills and added a range of products for the measurement and density of fluids and a complementary range of microprocessor based flow computers.

Why come to the Stock Market so soon? (The original aim was to wait another three years). McCue has several answers to this question. He says, for example, that the big customers Sarasota has in the U.S. (e.g. Hughes Aircraft and General Motors) prefer to deal with a publicly-quoted concern. The new money will also "straighten out" the balance sheet (paying back all borrowings, including the preference and debenture stock holders).

The listing will enable the company to introduce share option schemes for its employees. And it will give McCue the paper to go on the acquisition trail (some go on the acquisition trail).

McCue is confident that Sarasota can continue to expand profitably, both in the "heritage" business of vehicle detectors which remain sound cash generators but more significantly in "newer" areas on the instrumentation side. Those close to the company are excited by its exclusive marketing agreement in the U.S. with Aldcom International, manufacturer of the Husky handheld computer.

Sarasota, however, remains 50 per cent dependent for sales and profits on traffic products. These have considerable export potential — though it is a competitive environment — but they are essentially components for other people's systems. Investors will mainly be backing McCue's ability to continue his controlled search for new products and new markets.

Market strategy

How Multipart fought back

BY KENNETH GOODING

IF YOU have a product that is worthy but just a little bit boring, how do you capture the customer's attention long enough for him to listen to your message? Dennis Benson's answer has been to organise "family days." He is in the business of selling spare parts for trucks and buses, yet when the Multipart organisation held its last "family day" of the season last year, 4,000 customers, spouses and children turned up.

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transferring the new approach to the Leyland business.

Multipart distributors are expected to provide a two-hour delivery service because that is what the factors offer and that is why the factors won so much of the fast-moving spares market.

Another important side-effect has been that the Multipart business has introduced many operators of other makes of trucks to the Leyland vehicles for the first time. At the family days a good selection of Leyland trucks are displayed and in the past two years 10,000 operators have attended them.

Multipart grew out of adversity.

Consider the problem. Leyland Trucks is in a business where back-up service and spare parts availability are of primary importance. Most truck manufacturers today offer similar standards of technology in their trucks. Where they compete is at the sharp end, through the competence of their distribution network and the speed at which they can get crippled trucks back on the road again.

Yet Leyland's spare parts business was in something of a mess in the mid-1970s.

Transferred

The mergers in which Leyland had been involved had left the group with parts facilities all over the place: at Albion in Glasgow, at Southall in London, at Wolverhampton, Coventry, Cowley near Oxford, and at Chorley, Lancs.

Between 1973 and 1976 the parts operations were transferred to Chorley and the other facilities closed down. In 1977 the overhead was given for a project to double the space at Chorley and to modernise it. Leyland has spent £20m on this project. The final phase will be completed this summer.

An important consideration before the £20m was spent was how much investment could be justified at a time when Leyland's UK market share was falling steeply — between 1970 and 1982 it dropped from around 35 per cent to 13.2 per cent. Nonetheless the company gained share in 1983 and in the longer term Benson believes Leyland will win back a considerable percentage from its

rivals — the importers in particular.

A major factor in Leyland's loss of market share was that during the 1970s it gained a reputation — not entirely deserved, in Benson's view — for poor service and spare parts availability at the very time when the importers such as Volvo, Scania, Daf and Mercedes were building up their positions in Britain.

He claims that today Leyland's service and spare parts availability is as good as that of any of its rivals.

Leyland customs can now place a direct order into the central computer system at Chorley — and, in an emergency, a 48-hour (vehicle off the road) order can be accepted for immediate despatch.

Benson has introduced a number of innovations in an attempt to make sure that human fallibility does not make all the high-tech equipment a waste of money.

He changed the way bonuses are paid so that instead of paying for work done, payment is triggered only for work done correctly. Only when VOR orders are despatched on time to the right customers do the Chorley hourly-paid employees win their bonuses.

"The reaction has been fantastic," Benson says. "It has been known for the Chorley shop stewards to chase stewards at the suppliers, asking 'where's our parts?'"

Multipart now has 60 main outlets for truck parts and, because the mandatory two-hour delivery service limits the geographic area each can cover, there are 80 sub-dealers.

Another 12 franchises have been set up in Northern Ireland and now Multipart has begun to tackle France, the country where Leyland has started its push into Continental markets and has 35 truck distribution outlets.

Benson hopes by the summer to have established about 25 Multipart franchises in France.

By the end of the year Multipart in the UK will cover 60 product groups and ultimately will offer around 8,000 individual part numbers.

Benson will not be satisfied until Multipart has 15 per cent of the all-makes truck parts market in Britain against the current 3 per cent.

Datastream PLC

has been acquired by

The Dun & Bradstreet Corporation

The undersigned acted as financial advisers to Datastream PLC.

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June, 1984

This announcement appears as a matter of record only June, 1984

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In accordance with the provisions of the Notes, notice is hereby given that for the three month interest period from 29th June, 1984 to 28th September, 1984 the Notes will carry an Interest Rate of 13 1/2% per annum. The relevant Interest Payment Date will be 28th September, 1984 and the Coupon Amount per U.S. \$1,000 will be U.S. \$31.60.

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Notice of Redemption

Citicorp Overseas Finance Corporation N.V.

15% Guaranteed Notes due August 1, 1986

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The Notes are to be redeemed at the main offices of Citicorp, N.A., in London, Brussels, Paris, Frankfurt am Main, Amsterdam and Zurich, or at the main office of Citicorp (Luxembourg) S.A. in Luxembourg.

The Notes should be presented and surrendered at the offices set forth in the preceding paragraph on the Redemption Date with all interest coupons maturing subsequent to said date.

Coupons due August 1, 1984 should be detached and presented for payment in the usual manner.

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The Toyo Trust and Banking Company, Limited, London Branch, as Principal Paying Agent in respect of above Bonds, hereby give Notice that effective 1 August 1984 the address of The Development Bank of Singapore Ltd. (Paying and Warrant Agent) will change to 6 Shearson Way, DBS Building, Singapore 0106.

THE TOYO TRUST AND BANKING COMPANY, LIMITED
London Branch

Dated 29th June, 1984

<p>The Lombard 14 Days Notice Deposit Rate is</p> <h2>9%</h2> <p>Minimum deposit £2,500</p>	<p>The Lombard Cheque Savings Rates are</p> <h2>8 1/2%</h2> <p>When the balance is £2,500 and over</p>	<p>The Lombard 6 Month Fixed Rate is</p> <h2>6 1/2%</h2> <p>When the balance is £2,500</p>
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Handwritten signature

APPOINTMENTS

Senior post at Swiss Bank Intl.

Mr Steven Kaempfer, at present a senior director of S. G. Warburg & Co., is to be appointed a managing director of SWISS BANK CORPORATION INTERNATIONAL and will join the board in early September.

Mr William I. M. Turner Jr has been appointed a director of SCHROEDER. He is also a director of Henry Schroder Bank & Trust Co. New York, and is chairman and chief executive of Consolidated-Bathurst Inc., Montreal, Canada. His appointments with Schroders are in a non-executive capacity.

Mr George Govan, has been appointed managing director of BABCOCK CONTRACTORS, succeeding Mr A. J. Taylor, who remains an executive director of Babcock International.

LADBROKE GROUP has made the following senior appointments in its consumer and industrial electronics division: Mr Peter Kleis, the division's managing director, is to be chairman of Laskys (consumer electronics retail), TV (industrial video communications) and Servicepoint (electronic engineering services). Mr Richard Wislocki is to be managing director of Laskys. Mr Ken Smith, divisional business development and planning manager, is to be commercial director of TVI.

Mr G. R. Kelleit and Mr D. J. Warbrick, general managers of ROYAL INSURANCE, have been appointed directors.

Mr Norman Sanson has been elected a director and Mr Alan Blackwell and Mr Alan Morgan have been elected principals of MCKINSEY & CO. in the firm's London office.

Mr Christopher Russell has been appointed finance director of ASTON MARTIN LAGONDA. He joins the company from Leyland Vehicles (Buses), where he has been financial controller since 1981, having previously been with Ford and BL.

Mr Michael Layfield, previously a divisional director, has been appointed managing director of POWELL DUFFRYN TRAVEL, the travel agency subsidiary of Powell Duffryn. He succeeds Mr Basil Parsall, who retired on June 30.

BUPA. The following have been appointed to the board of governors: Mr D. J. Allan, group marketing director; Mr R. H. Clarke, executive director, health insurance (UK); Mr M. J. Smith, executive director, BUPA hospitals; and Dr A. R. Worthington, executive director BUPA medical centre.

ELIZABETH INSURANCE announce that Mr Nigel G. Lasing, who was 60 in March, will retire at the end of

this year as general manager. However, he will continue as deputy chairman of Lombard Elizabeth Insurance and as chairman of Jardine Reinsurance Management.

WEBB-BOWEN INTERNATIONAL, executive search consultants, announce the appointment of Mr R. T. S. Macpherson as non-executive chairman and Mr Bryan Cassidy, as a non-executive director.

Four new directors have been appointed to the board of BUNGE & CO. They are: Mr David L. Alroy, Mr Peter F. Bretherstone, Mr John C. Jeffrey and Mr Barry H. White.

Mr Stephen W. Calcraft has been made associate director of radstock, Blunt (Scotland) Ltd, BRADSTOCK, BLUNT (SCOTLAND).

WYVERN TELEVISION has appointed Mr Ian Bright as sales director. He was previously sales manager at Independent Radio Sales and at Thames Television.

TAYWOOD-SANTA FE, Greenford, has made the following appointments: Mr Geoff Davies becomes deputy chairman, and will continue as managing director; Mr Mike Barden, Mr Richard Mason, Mr Dick Pemberton and Mr Ron Shaylor all join the board.

THE BRITISH WATER AND EFFLUENT TREATMENT PLANT ASSOCIATION has re-elected the following for a second year as chairman, Mr Ray Roberts, managing director, Hawker Siddeley Brackets; and vice-chairman, Mr Chris Shirley, chairman, Dewplan Group.

HUNTERPRINT has appointed Mr Douglas Richardson as group commercial director. For the past five years he has been production director of TV Times.

INVER HOUSE DISTILLERS, Alrdrie, has appointed three directors to the main board from July 1. They are Mr V. J. Lewis, marketing and sales director; Mr R. E. Boyle, operations manager; and Mr J. T. F. Cairns, financial controller.

HOOVER has appointed Mr A. E. (Tony) Williamson to the board as UK operations director. He joined Hoover in 1958 as a buyer. In 1976 he took charge of the UK marketing organisation and became an associate director in 1980.

Mr John Branscombe has been appointed managing director of GEC ROLLS-ROYCE (POWER GENERATION), a company formed by GEC and R-R to supply gas turbine-driven power generation equipment above 10 megawatts. Mr Branscombe was formerly director and general

manager of GEC Gas Turbines. Switzerland, and Baltica Insurance Company, Denmark, has appointed Mr Douglas H. Burgess to be underwriter and general manager from September 1. He will then be the nominated representative to the I.L.U. of those member companies underwritten by Lennox. Mr Leonard A. Locke remains executive director. Mr John A. Willson, assistant director and deputy underwriter, will also be cargo underwriter. Mr Ian Bellons continues as claims manager and is deputy general manager.

Mr R. E. Lambourne has been appointed group secretary of FOSECO MINSEP.

Mr Nigel J. Webber has been appointed group development manager of MERCANTILE HOUSE HOLDINGS. He was vice president of corporate finance at Citicorp, London.

STRATUS COMPUTER UK, newly-formed subsidiary of Stratus Computer Inc. of Natick, Mass. U.S. has appointed as UK director Mr David Taylor, who joins from Tandem, where he was London district sales manager.

Mr Hugh Armstrong, formerly director of Development Capital, has joined the board of SPECIALISED MOULDINGS as a non-executive director. Mr Armstrong has been appointed by The Britannia Group of Investment Companies, on behalf of the Britannia Business Expansion Fund, who have subscribed £275,000 of equity. The chairman and managing director, Mr Peter Jackson, who founded the company in 1960, has become executive chairman. Mr Mike Oakey, deputy managing director, has been appointed managing director.

Mr Peter Reay has been appointed to the board of CADBURY SCHWEPFES. He has been group personnel director since 1981, and will retain those responsibilities.

Three appointments to the board of VALIN POLLEY have been made from July 1: they are, accounts directors Mr Neil Hedges and Mr Howard Lee, and media director Mr Robert Mitchelmore, all currently associate directors.

SOUTHAMPTON FREEPORT has appointed Mr Andrew Kent as general manager from July 1. He has been port manager, King's Lynn, since June 1982. Southampton Freeport will be ready to open for business in August as soon as passage of the necessary legislation by Parliament permits. Associated British Ports has appointed Mr Mike Fell as port manager at King's Lynn from July 1 in succession to Mr Kent. Mr Fell is assistant port manager at Goole, Humberside.

LENNOX UNDERWRITING AGENCIES which is owned by the Baltica Insurance Company,

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Mr Hugh Armstrong, formerly director of Development Capital, has joined the board of SPECIALISED MOULDINGS as a non-executive director. Mr Armstrong has been appointed by The Britannia Group of Investment Companies, on behalf of the Britannia Business Expansion Fund, who have subscribed £275,000 of equity. The chairman and managing director, Mr Peter Jackson, who founded the company in 1960, has become executive chairman. Mr Mike Oakey, deputy managing director, has been appointed managing director.


Mr Peter Reay has been appointed to the board of CADBURY SCHWEPFES. He has been group personnel director since 1981, and will retain those responsibilities.

Three appointments to the board of VALIN POLLEY have been made from July 1: they are, accounts directors Mr Neil Hedges and Mr Howard Lee, and media director Mr Robert Mitchelmore, all currently associate directors.

SOUTHAMPTON FREEPORT has appointed Mr Andrew Kent as general manager from July 1. He has been port manager, King's Lynn, since June 1982. Southampton Freeport will be ready to open for business in August as soon as passage of the necessary legislation by Parliament permits. Associated British Ports has appointed Mr Mike Fell as port manager at King's Lynn from July 1 in succession to Mr Kent. Mr Fell is assistant port manager at Goole, Humberside.

LENNOX UNDERWRITING AGENCIES which is owned by the Baltica Insurance Company,

This announcement appears as a matter of record only.



N.V. Koninklijke Nederlandse Vliegtuigenfabriek Fokker

(Incorporated in The Netherlands)

350,571 Ordinary Shares

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Nederlandsche Middenstandsbank nv

June, 1984


Today's Rates 10½%-11¼%

3i Term Deposits

Deposits of £1,000-£50,000 accepted for fixed terms of 3-30 years. Interest paid half-yearly. Rates for deposits received not later than 13.7.84 are fixed for the terms shown:

Terms (years)	3	4	5	6	7	8	9	10
Interest %	10½	10¾	10¾	11	11¼	11¼	11¼	11¼

Deposits to and further information from the Treasurer, Investors in Industry Group plc, 91 Waterloo Road, London SE1 8XP (01-928 7822 Ext. 2367). Cheques payable to "Bank of England, a/c Investors in Industry Group plc."



INVESTORS IN INDUSTRY

Notice of Prepayment
THE DAIWA BANK LIMITED
U.S.\$15,000,000
Floating Rate Certificates of Deposit
Issued 12th August, 1982
Maturity 15th August, 1985 - Callable August, 1984

Notice is hereby given in accordance with Clause 5 of the Certificates of Deposit ("the Certificates") that pursuant to Clause 3 of the Certificates, The Daiwa Bank Limited will prepay all of the outstanding Certificates on 15th August, 1984 at their principal amount. Payment of the principal amount, together with accrued interest will be made on the prepayment date against presentation and surrender of the Certificates at the London Office of The Daiwa Bank Limited, 77 London Wall, London, EC2N 1BD. Interest will cease to accrue on the Certificates on the prepayment date.

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FINANCIAL TIMES

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Monday July 2 1984

Arms: talking about talks

IT HAS become increasingly clear in the last few weeks that the policy of the U.S. administration towards the Soviet Union has been undergoing a significant change...

development if the American electorate is judged to have swung in favour of negotiations with the Russians... President Carter was on his way out and Mr Reagan on his way in...

Reputation

There is also evidence of concerted action among the Western powers. Mrs Thatcher has been to Budapest, so has Chancellor Kohl...

Significant

The Russians may well have been surprised by the clarity of the American acceptance. They appear not to have liked the American proposal to tie the talks to an attempt to achieve wider measures of arms control...

Some people, not only in Moscow, will ascribe President Reagan's apparent new readiness to negotiate on something closer to Soviet terms than he has ever accepted in the past...

Deadlock over the Falklands

THE VISIT to Argentina last week by three British politicians is the first real gesture of reconciliation since the Falklands conflict two years ago...

standing that might involve a commitment to discuss sovereignty at a later stage. Mrs Thatcher, the Prime Minister, is adamant that the war fundamentally altered the situation and she committed to respect the wishes of the 1,400 islanders...

High cost

However, the present policy is enormously costly to the British taxpayer and its longer term aim required increasing justification—especially the drain on the defence budget and its consequent diversion of Britain's military capacity from NATO...

Reluctance

Since Argentina was the aggressor, it is appropriate that the gesture to invite the MFs came from Buenos Aires. Argentina still theoretically maintains a state of belligerency...

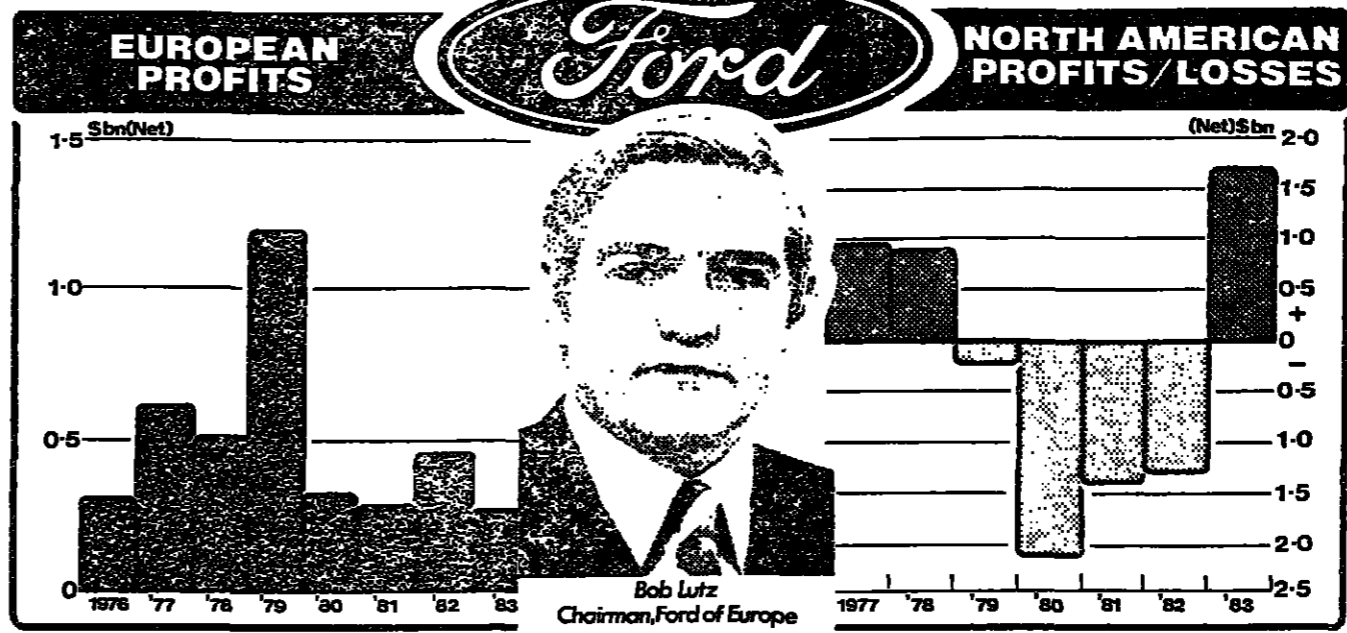
There are already signs of some ambiguity in the British stance. The islanders are pressuring Britain to declare a 200-mile territorial zone to protect the valuable fisheries and ensure some income from fishing licences...

The deadlock hinges on the heart of the historic dispute with Argentina—sovereignty over the islands. President Alfonsín recognises the present British Government's reluctance to discuss sovereignty in the aftermath of the war...

meanwhile refuses to negotiate the normalisation of relations with Argentina on any under-

FORD OF EUROPE The strains begin to tell

By Kenneth Gooding, Motor Industry Correspondent



Bob Lutz, Chairman, Ford of Europe

FOR MOST of the past five years Ford executives at the company's embattled headquarters in Michigan have conspired themselves that, whatever else might be going wrong, they need not worry about their European subsidiary.

But no longer. In a dramatic reversal of fortunes it is now Ford of Europe which is causing concern in Dearborn, the hub of Ford's worldwide operation. Not only have Ford's European profits been sliding, but the company's arch-rival General Motors has been steadily gaining European market share...

The strains within Ford's European organisation — and beyond — have begun to tell. In the space of three months Ford's European top two managers — Mr Ed Blanch and Mr Jim Capolongo — have resigned. Meanwhile Mr Bob Lutz, the man most identified with the launch of Ford's controversial Sierra...

tion to the U.S. Ford watchers assumed that Mr Blanch was having to carry the can for the deterioration in Ford's financial results. They were also intrigued when Mr Capolongo did not step into the chairmanship — it is normally Ford's policy to replace the chairman with the president.

Mr Capolongo took on Mr Blanch's responsibilities but not his title. Then at the beginning of June news leaked from Ford's headquarters that there had been a tremendous "transatlantic jangling match" between Mr Lutz and Mr Capolongo following which Mr Capolongo submitted his resignation and cleared his desk at FOE.

This resignation was not immediately accepted. At 49 Mr Capolongo was one of the parent Ford company's youngest vice-presidents and by all accounts among the brighter ones. Senior executives at Ford, including the president Mr Donald Petersen, attempted to persuade Mr Capolongo to withdraw the resignation, but he apparently decided the time had come for a change of career.

Last week Ford said Mr Capolongo had now left the company. At the same time major changes to the way Ford runs its operations outside North America were announced. Mr Lutz's job is to be discontinued. He is to remain on the parent board but return as chairman of Ford's Latin American and Asia Pacific operations...

Ford said the changes would take out one management layer and speed up decision taking.

The changes were also designed to recognise evolving relationships among Ford automotive operations worldwide and to enhance co-ordination among major company activities. The changing nature of the world automotive market will require that these activities have increasingly close ties in the years ahead.

Mr Karl Ludvigsson, a former FOE vice-president who a year ago set up a London-based motor industry consultancy company, applauds the restructuring. "The elimination of a separate international organisation in Dearborn should be welcomed. It was an outdated idea to treat the non-North American operations like colonial outposts. Making FOE report directly to the president is a terrific move and a plus for Ford," he comments.

Ford says the changes had been under consideration for several months. However, the vacuum which developed at the top of FOE obviously affected the timing. As one FOE insider put it: "We've been running around like headless chickens, all flap and no direction."

Mr Lutz, the man at the centre of this particular power struggle, is a highly charismatic character. A tall, slim, grey-haired 52-year-old, he is fluent in several languages, an attribute which seemed to make him the perfect head of FOE during his previous period as chairman between 1979 and 1983...

When he became one of the European motor industry's best-known managers. Mr Lutz was born in Switzerland but is now an American citizen — he did a five-year stretch in the U.S. Marine Corps after graduating with a BSc and MBA from the University of California. When he moved to Dearborn two years ago he seemed to be one step away from the highest pinnacle of Ford, a chairman of the future.

Men and Matters

has been turned around? MacDonald's face lit up a little when a 90-year-old shareholder took the floor to express his confidence in Dome's future...

MacDonald's face lit up a little when a 90-year-old shareholder took the floor to express his confidence in Dome's future. He said he had bought 25 shares in the company in 1950 and that he had held them ever since. "I'm going on for the next 10-15 years... the elderly shareholder which is about the time most observers think it will take Dome to solve its problems."

As part of the \$2.6bn takeover—Perot and his family trusts get 46 per cent—GM is issuing a new class of shares linked to EDS's performance, but convertible to the group's shares should EDS falter.

Given that the GM bid was itself worth twice EDS's market value quite recently, it is not surprising that an enraged individualist like Perot could not resist the deal.

Dome's day

Howard MacDonald, chairman of the debt-ridden Canadian oil and gas producer, Dome Petroleum, listened impassively at the company's annual meeting in Toronto as one small shareholder after another complained that senior managers seemed to have been producing a raft of fringe benefits. Why can't Dome follow Chrysler's example, one questioner demanded, by rewarding managers only after the company

had been turned around? MacDonald's face lit up a little when a 90-year-old shareholder took the floor to express his confidence in Dome's future, asserting "I know I'm going to live to see the stock go to 25 dollars." (The shares are currently trading just above C\$5).

Substituting wheat for the rye in the corn and barley mash, he produced a mellow bourbon — "a sipping whisky, for drinking slowly, at ease." Maker's Mark found an immediate place at the top end of the market. The Kentucky racing fraternity discovered the taste... and gradually spread it around. The Samuels refused to abandon the traditional six-year production process to meet growing demand. Only 150,000 cases a year are shipped out of the Star Hill Farm distillery, the smallest and oldest in the U.S., which has been designated a national historic landmark.

Hiram Walker International, which took over the distillery in 1981, has not interfered with the family's personal supervision — but is spreading distribution a little further afield. Hence the return trip to Scotland.

With a bottle selling at twice the price of ordinary bourbon, the distillery now has a turnover of \$10m a year. "It tastes expensive... and it is," says Samuels.

Vienna's discord

"A guest must know when it is time to pack his bags and leave," says Lorin Maael, who quit as director and chief conductor of the Vienna State Opera at the weekend, two years before his contract was due to expire.

As a musician, it has been heaven, Maael says — but his tenure has also been marked by constant discords with Education and Arts Minister Helmut Zilk and the local press. The question is: who runs the opera, the minister or the director? Under his management, Maael points out, the opera had full houses, brought renowned artists to Vienna and made profits. "Dr Zilk brings to his post experiences garnered as a part-time grammar school teacher and sports reporter."

The opera will be run by former director, Egon Seefehner, until 1988 when Claus Drees, currently director of the Zurich Opera, will take over as administrative director, with Claudio Abbado, as musical director. Such a split of responsibility cannot work, says Maael — apparently expecting little difficulty finding work himself. His diary runs with engagements well into 1987.

Spirit of the law

What happens if you don't pay your excise? — You get repossessed.

Observer

Perot's part in General Motors

The curriculum vitae of 53-year-old H. Ross Perot, who has thrown in his lot with General Motors by agreeing to the buy-out of his Electronic Data Systems, could hardly read less like that of the typical motor industry executive.

Hard-driving and highly individualistic, Perot was trained at the Naval Academy, and is still said to run his Dallas-based company as though it were a branch of the military. His time in uniform also appears to have given him a penchant for adventuring. During the Vietnam war, he was involved in various attempts to get GI prisoners back from North Vietnam; and after the Iranian revolution, he organised the rescue of two of his executives from a Tehran prison — an exploit recounted in the bestselling "On Wings of Eagles."

Started 22 years ago as a \$1,000 company, EDS has had a few ups and downs, notably when Perot tried to rescue two Wall Street firms and lost his shirt — about \$70m — instead. But in recent years, it has enjoyed

Up to the mark

Some 265 years after his forebears emigrated from Scotland, Bill Samuels returned from the United States last week with some samples of his whisky for the native connoisseurs. Of the nine generations of Samuels since those emigrants in the early 1700s, at least seven have been whisky distillers, first in Pennsylvania, and then in Kentucky.

It was not until Samuels' father threw the old family formula for bourbon into the waste-paper basket in the 1950s that the family made its mark in the industry.

Substituting wheat for the rye in the corn and barley mash, he produced a mellow bourbon — "a sipping whisky, for drinking slowly, at ease." Maker's Mark found an immediate place at the top end of the market. The Kentucky racing fraternity discovered the taste... and gradually spread it around. The Samuels refused to abandon the traditional six-year production process to meet growing demand. Only 150,000 cases a year are shipped out of the Star Hill Farm distillery, the smallest and oldest in the U.S., which has been designated a national historic landmark.



"Now that's what I call 'nouveau riche' — a week ago all he had was a strawberry stall at Wimbledon."

BRITISH-BORNEO PETROLEUM SYNDICATE, P.L.C.

Statement of the Chairman, Mr. Campbell Nelson, delivered at the 70th Annual General Meeting of the Company held in London on 28th June 1984

I am glad to be able to report record profits for the year to 31st March 1984. Pre-tax profit was £1,424,000 compared with £1,154,000 for the previous year. Net profit, after taxation, was £970,000 compared with £781,000 for the previous year. We paid an interim dividend on 16th December 1983 of £225,000 and recommended a final dividend of £450,000. These dividends totalling £675,000 represent a 69.6% distribution of net earnings leaving unappropriated earnings for the year of £295,000 which added to the unappropriated profits brought forward give us total unappropriated profits of £1,965,000 at the end of the year as shown in our Consolidated Accounts. The dividends in respect of last year amount to 15p per stock unit on the paid-up issued capital of 4,500,000 stock units of 10p each compared with dividends for the previous year of 12.80p per stock unit.

It is gratifying that our listed investments showed a substantial increase in Market Value at the end of the year. The Market Value of the listed investments at 31st March 1984 was £20,348,000, the unrealised appreciation over their Balance Sheet value being £16,321,000 compared with £11,864,000 at the end of the previous year.

The make-up of our listed investments at 31st March last at their Market Values was 85% Oil Companies, 5% Gold Preference Shares, 8% Industrials and 2% Preference Shares.

The position as to our oil and gas interests in the U.S.A. and Canada is dealt with in the Report of the Directors. Up to the present the investment involved is small compared with our stake in listed investments, but we continue to search for opportunities to participate in producing properties in the U.S.A. We derive profit from our interests in oil producing properties in Wyoming and we expect at a later stage to derive income from our Canadian interests.

Our main investment continues to lie in securities particularly in oil quoted on The London Stock Exchange. Notwithstanding the present unsettled state of the Stock Markets we expect to have a good result for the year.

The good relationship with Consolidated Gold Fields, our principal shareholder, is an important factor in the prosperity of your Company. Once again I express my gratitude to their representatives on the Board of your Company who are Messrs. Beckett, Brooks and Barton for the valuable services they have rendered.

Copies of the Statement and the 1984 Report and Accounts are available from the Registrars, Lloyds Bank Plc, Registrars Department, Goring-by-Sea, Worthing, West Sussex BN12 6DA.

Handwritten signature or note at the bottom of the page.

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

U.S. BONDS

Wall Street resigns itself to renewed yield weakness

WALL STREET now seems resigned to the prospects of higher bond yields in the days ahead. The first steps could well come this week, when the two Treasury auctions straddle awkwardly across Thursday's July 4 holiday.

The longer dated issues for sale this week. In the when-issued market, the seven-year notes were commanding a 13.96 per cent yield, and the 20-year bonds 13.76 per cent.

Pressures will return

The outcome of last week's auction may also indicate the market's view of the outlook for rates. Under a market rule of thumb the yield on two-year notes on the day of the four-year note auction, discounted a federal funds rate of 11 1/2 per cent.

The funds rate eased last week but the fall largely reflected the lifting of the end-of-quarter pressures. But on past experience, these pressures will just as quickly return early this month.

Similarly, last week's fall of \$3.1bn in M-1 money supply to just inside the target range of the Federal Reserve, is likely to be a temporary phenomenon, with M-1 rising again this week since economic data continues to validate the "flash" prediction of 5.7 per cent growth in GNP for the second quarter of 1984.

The latest account on Argentina's debt payments will clearly provide the Federal Reserve with a little more leeway to tighten credit—perhaps to target Fed funds at 11 1/2 per cent as the market fears.

A further and substantial pressure on the credit markets came from last week's \$2.5bn sale of new loans in the municipal markets, aimed to benefit from the withholding tax legislation before Congress.

U.S. INTEREST RATES (%)

Table with columns for Week to, Week of, and various interest rates for Fed funds, 3-month, 6-month, 9-month, 12-month, AA industrial, and Treasury securities.

in the market, was accompanied by some slight slackening in short-term rates—notably in the Federal Funds. But renewed upward pressure on rates and on money supply are expected to assert themselves, perhaps before the meeting of the Federal Reserve Open Market Committee, now put back until July 16-17.

In the Background, nervousness over the possibility of a rise in the Federal Reserve's discount rate persists—especially since last week's increase in similar rates in Europe. In the meantime, the market's major bullish factor, the repeal of the 30 per cent withholding tax on foreign investment, has yet to make any significant impact in New York.

No change of heart

The relative success of last week's auction of \$6bn in four-year Treasury notes was no indication of a change of heart. There was a good response at the auction, but the yield was the highest for several years at 16 1/2 basis points above the rates at the last auction of similar securities. And there is little chance of a similar demand for

AEG holds turnover and expects to stay in profit

BY JONATHAN CARR IN FRANKFURT

AEG-TELEFUNKEN, the West German electronics concern, is heading for its second profitable year in a row with turnover likely to be at about the 1983 level of DM 11.5bn (\$4.1bn) according to Herr Heitz Durr, the chief executive.

Swedish business satellite plan

BY DAVID BROWN IN STOCKHOLM

EUROPEAN Business Satellite (EBS), is to market satellite communications services to business users in Europe in direct competition with continental public telecommunications networks.

EBS, which is backed by four Swedish venture capital groups, has made operating applications, is forming subsidiaries, and will try to market services initially to Sweden, Norway, and the UK.

Channels are to be leased or sold among other things for corporate data networks, video

conferencing, radio and cable TV transmission, said Mr Leif Lundquist, the managing director. The group has yet to receive licences or sell space required to make the \$200m investment to launch two 14-channel satellites into geo-stationary orbit, starting in 1988.

The governments of Sweden, Norway and Finland agreed last year to proceed with Tele-X, a SKR 1.8bn (\$188m) satellite system. A first experimental craft is booked for launch in late 1986.

HK hotels chain lines up big bank credit

By David Dodwell in Hong Kong

REGAL HOTELS, the deeply indebted hotels and property group acquired in March by Mr Bill Wyllie's Asia Securities, has taken up a HK\$700m credit line from the Hongkong and Shanghai Banking Corporation.

Mr Wyllie, who has acquired a reputation as a "company doctor" in Hong Kong after returning Hutchison Whampoa, the Hong Kong trading company, and BSR, the UK electronics group, to profits, said after the Regal Hotels' annual meeting yesterday that the term loan was being used to repurchase the Regal Meridian Hotel and to reduce debt.

Japanese loan group runs out of cash

BY ROBERT COTTELL IN TOKYO

YATAGAI CREDIT, a large Japanese personal-loan company, sought court protection from its creditors over the weekend after proving unable to pay a ¥1.9bn (\$80m) due bill.

The court provisionally agreed to protect Yatagai's assets from claims by individual creditors on the basis of a proposal from Yatagai that it would repay its debts over a six-year period starting 1985. Yatagai's financial difficulties became known last month when it failed to meet a ¥400m obligation. It succeeded in rescheduling payments falling due to some creditors over the last three weeks, but decided on Saturday to seek court protection as an alternative to possible liquidation.

Liechtenstein bank in Germany

BY OUR FRANKFURT STAFF

BANK in Liechtenstein (Vaduz) is setting up a subsidiary in Frankfurt—its first move into West Germany—as part of a continuing strategy to expand abroad.

The new bank, with an initial capital of DM 10m (\$3.6m), aims above all at business with internationally-operating institutional customers. It also plans to carry out share and currency

INTERNATIONAL APPOINTMENTS



Dr Rolf-Ernest Breuer, chairman of Euro-clear System

Mr Gerard Loras; Mr Band, senior vice president and group executive at Morgan Guaranty Trust Company of New York, succeeds Mr Frank E. Reed. Mr Marc Bayot of Société Générale de Banque, Brussels, Mr Stefano Colonna of Société Générale de Paris and Mr Hansgeorg E. Hofmann of Merrill Lynch International and Co, London, have been appointed members of the

representative at its New York representative office. Mr Marcia W. Taylor, previously an assistant manager, business development with Williams & Glyn's, has been appointed representative of the Royal Bank of Canada's Los Angeles representative office.

Mr Peter M. McRobbie has been appointed accounts executive and vice president of NATIONAL WESTMINSTER BANK's New York marketing office. Mr R. J. B. Ross, senior finance section, International banking division, in London, has been appointed general manager of ROULETTES RHP FRANCE SA, a subsidiary of RHP Group. He was regional sales manager/Europe for the industrial bearings division of RHP Bearings.

New chief at Philip Morris

PHILIP MORRIS INC has elected Mr Hamish Maxwell to succeed Mr George Weissman as chairman and chief executive officer. Mr Maxwell has been president and chief operating officer of Philip Morris Inc since December 1, 1983. Prior to that he was president of Philip Morris International and has been a director of Philip Morris Inc since 1974.

panies and the tobacco technology group reporting to him. Mr Murphy, a director of the corporation since 1971, is group executive vice president with the Miller Brewing Company, the Seven-Up and the Mission Viejo Realty Group reporting to him. Mr Hugh Cullmann has been appointed vice chairman of Philip Morris Inc, and chairman of the finance committee. Mr Cullmann, a director of the corporation since 1964, is group executive vice president and chairman and chief executive officer of Philip Morris U.S.A.

Dr Rolf-Ernest Breuer has been elected chairman of EURO-CLEAR CLEARANCE SYSTEM. Formerly vice chairman, Dr Breuer is a senior vice president of Deutsche Bank and member of the investment and trading department at the bank's central office in Frankfurt. He succeeds Mr Ian Steers, vice chairman of Wood Gundy, London, who has been chairman of Euro-clear for the past four years. Mr Hans-Peter Sorg, Mr Stefano Colonna

and Mr David Band have been appointed directors of Euro-clear. Mr Sorg, executive vice president of Credit Suisse, Zurich, replaces Mr R. J. B. Ross, former chairman of the Royal Bank of Canada, who has replaced Mr Colonna, adviser to the general manager of Société Générale, Paris, replaces

Mr Rowan O'Neill has been appointed general manager of ROULETTES RHP FRANCE SA, a subsidiary of RHP Group. He was regional sales manager/Europe for the industrial bearings division of RHP Bearings.

Mr Stephen B. Strauss has joined PRUDENTIAL BACHE TRADE CORP in London as senior vice president—Europe. He was vice president—treasurer of Sears World Trade Inc in Washington DC.

Electricity Supply Commission, South Africa

BALANCE SHEET of 31 December 1983. Table with columns for 1983, 1982, and 1981. Rows include Fixed assets, Current assets, Loans and extended credit, etc.

INCOME STATEMENT for the year ended 31 December 1983. Table with columns for 1983 and 1982. Rows include Sales of electricity, Operating expenditure, Net operating income, etc.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS for the year ended 31 December 1983. Table with columns for 1983 and 1982. Rows include Source of Funds, Funds generated internally, etc.

Highlights from the Chairman's Review and Financial Statements for the year ended 31 December 1983. In company with many of South Africa's other public and private sector businesses, Escom's management was most notably challenged in 1983 by the effects of drought and by an economy that has been characterised as being in one of the most difficult phases since the Great Depression.

HIGHLIGHTS OF THE YEAR for the year ended 31 December 1983. Table with columns for 1983, 1982, and Change %. Rows include Revenue, Charges, Net expenditure, etc.

U.S. DOLLAR STRAIGHTS

Table listing U.S. Dollar Straights with columns for Issued, Bid, Offer, and Yield for various companies like Alaska Housing, American Sav., etc.

DEUTSCHE MARK STRAIGHTS

Table listing Deutsche Mark Straights with columns for Issued, Bid, Offer, and Yield for various companies like Alred Chemical, Austria Republic, etc.

SWISS FRANC STRAIGHTS

Table listing Swiss Franc Straights with columns for Issued, Bid, Offer, and Yield for various companies like Australia Comm., Canada, etc.

FT INTERNATIONAL BOND SERVICE

Large table listing international bonds from various countries including Sweden, Yen, Euro, etc., with columns for Issued, Bid, Offer, and Yield.

EUROBOND TURNOVER

(nominal value in \$m)

Table showing Eurobond turnover in millions of dollars for last week and previous week.

* No information available—previous day's price. † Only one market maker supplied a price.

STRAIGHT BONDS: The yield is the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change over price a week earlier.

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown in millions of dollars. Next coupon becomes effective.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Chg. Day = Change on day. Conv. date = First date for conversion. Cdn = Canadian. Cvr. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at International Bankers' Corporation. Ctd = Current price of share. Ctd = Current price of share.

FINANCIAL TIMES SURVEY

Monday July 2 1984

IRELAND

Signs of returning confidence at last

THE AIR of crisis which pervaded the Irish Republic's politics and economy between 1980-83 has largely abated but it is too soon to say that confidence has been fully restored. Business, in particular, is not so optimistic about the long-term prospects for the country as it was in the 1970s.

Things do look more certain on the political side. Mr Charles Haughey, the Opposition leader—a man who does not like to give up—conceded recently that the present Coalition of Dr Garret Fitzgerald's Fine Gael Party and Mr Dick Spring's Labour Party would probably last a full term. For this, Mr Haughey blames Labour, claiming innocently that he never believed Labour would sell out so completely to Fine Gael conservatism.

Others, in Fine Gael and elsewhere, are inclined to wish Labour had sold out a bit more. Mr Spring and his minority colleagues have sharply influenced Government policies, particularly on the economy where they have held out against the severe cuts in public spending advocated by many Fine Gael ministers and most economists.

Most of the improvements in the economic figures have been achieved by sharp tax increases. Where the Government axe has fallen, it has tended to lop off capital programmes, rather than current expenditure.

In fairness, it must be said that to cut Government programmes, and lay off workers in the face of 17 per cent unemployment and severely reduced living standards, would require political courage verging on the suicidal.

A fairer test of the Government's will come soon, with its attempts to secure a public sector wage freeze. Success—which should not include the old trick of deferring payment to next year—would be a considerable boost to attempts to reduce Irish inflation, and Irish expectations, to European levels.

Political and economic constraints mean that the Irish have been looking largely to the outside world for relief. The improvement in the U.S. economy has already been reflected in a return to economic growth in Ireland and increased interest from potential U.S. investors.

Fianna Fail on the Northern Ireland question, and the public disagreement between Dr Fitzgerald and Mr Haughey may even have accentuated it. Public reaction, however, did suggest a willingness to try new approaches and Dr Fitzgerald is determined to get political dialogue going with a more open agenda than has been possible in the past.

The new attitudes may also have been reflected in the tougher line by the Irish courts on the extradition of terrorist suspects to Northern Ireland, something which would not have been politically possible ten years ago.

These new approaches, while welcome in Belfast and London, pose dangers which are less easily appreciated. The killing of two members of the Irish security forces in a gunbattle with IRA men last Christmas makes the point that a terrorist "on the run" can be more dangerous, North or South, than one who can find sanctuary.

Complex

The other danger is that opinion in the Republic is diverging from that of Catholics in Northern Ireland, who appear to be becoming more alienated and extreme. Such a development could make the Irish problem even more hideously complex.

Anglo-Irish relations remain a puzzle. Officially, they are much improved, but the two governments remain edgy at stepping on any banana skin which might fall in their paths. Irish clumsiness over the Falkland dispute, was mirrored this year by the decisions of both the Duke of Edinburgh and Mrs Thatcher to visit the one Army barracks in Northern Ireland which Dublin wished them to avoid.

Inevitable differences over the EEC's Common Agricultural Policy (CAP) were marked by undiplomatic exchanges. Finally, came the revelation that officers of the Royal Ulster Constabulary crossed the border last year on surveillance duties. The British Ambassador in Dublin, Mr Alan Goodison, has had plenty of practice in smoothing ruffled Irish feathers and may well have prevented bad situations becoming a good deal worse.

Security

Problems could also arise with growing European moves towards co-operation on defence and security matters. These may impinge on Irish neutrality and force the Irish to decide just how neutral they are.

Irish neutrality is pragmatic, rather than political, but in an age of proliferating nuclear weapons, the resistance of the average citizen to military entanglements should not be underestimated.

There has been a regular crop of domestic peccadilloes to divert attention from more serious problems. Recent furies range from the question of who bugged the Dublin residence of Northern Ireland politician, Mr Seamus Mallon... to such issues as the alleged involvement of a Government Minister in the opening of a family planning clinic.

Many of the aspects of Irish affairs most puzzling to outsiders—such as last year's referendum on abortion—reflect a country caught uneasily between modern life and traditional values.

Other issues, more seriously, reflect a lack of confidence in the police and judicial systems. Reform here is more difficult because the ever-present threat of political violence makes Ministers reluctant to relinquish control of the system.

This does not remove the pressing need for thorough reform of the public service and nationalised industries, and the need for long-term planning of the country's role. Many hope that, even if the Coalition has stalemated itself on short-term economic policy, it can begin to chart a longer-term course for the future.



DIVERSITY IN INDUSTRY

... from computers to dairy products. Examples above give an indication of the growing range of Ireland's manufacturing sectors.

● Top (left): production of electrical equipment at the ACEC plant at Waterford. The manufacturer's parent company is based in Belgium.

● Integrated circuits at designed and manufactured at Analog Devices (top right) at Limerick. The facility was established by Analog Devices of Massachusetts, U.S., in 1978. The

company, a leader in its field, has forged links with local university research departments.

● Dairy products (lower left) being despatched at Avonmore Creameries in Kilkenny. Avonmore handles the largest volume of milk in Ireland and has also diversified into meat products and provender milling.

● At Micro Bio (lower right), chemicals are manufactured for sterilising dairy equipment. The company began production at Cork in 1976.

Coalition makes modest advances

SO intractable had the problems of the Irish economy become in the first two years of this decade that Garret Fitzgerald frequently joked that whoever won any of the quick succession of general elections ought to have the reward of forcing the losers to form the incoming administration.

Eighteen months of relative political stability, accompanied by modest improvements in some critical areas of the economy, have changed Mr Fitzgerald's mind. The Coalition Government of the Fine Gael and Labour parties, which he leads, shows no desire to let slip the levers of power.

The three years which followed the elevation of Mr Charles Haughey to leadership of the country's largest political party, Fianna Fail, and the premiership had been marked by extraordinary political venom, most of it directed at Mr Haughey.

Mr Fitzgerald had begun the process with a withering Dail attack on the new leader, questioning his fitness for high office and hinting at deeds so disturbing that they could not be referred to even under the protection of parliamentary privilege.

Opposition to Mr Haughey's very personal style of politics was the cement which helped construct the Coalition Government and is what, in large part, helps keep it together.

When ideological or economic policy differences arise they are swept aside for a new onslaught on the "irresponsible" leader of the Opposition.

Labour Party ministers, with little of real cheer to offer their supporters, can still draw applause through rolling back the pages of recent history to accuse Mr Haughey of "cooking the books".

It is as well that the government has something to fall back on. They have worked hard but to limited effect. Each party has concentrated on preventing what is seen as the ideological excesses of the other. The result has been government by consensus—sufficient is done only to keep the electorate docile and the government in office. So far it has met with the approval of an election-weary populace.

It is only the most recent opinion polls which have shown the opposition moving ahead. Memories of three elections in two years and the scandals of

Political scene

GERALD BARRY

the Fianna Fail administration gave the government a long honeymoon period.

There is still unease in his party about Mr Haughey's ability to win an overall majority, but from now on the government will have to rely on its own record.

The real threat to the long-term survival of the present government may be rank and file discontent in the Labour Party.

Differences

Already one Labour minister, Frank Cluskey, has resigned from the Cabinet citing ideological differences over energy policy. His departure has provided the left wing of the party with an issue around which it might rally and unnerve the rest of the cabinet sufficiently to ensure that government spending cuts, advocated by the Fine Gael Finance Minister, Alan Dukes, were hastily abandoned and a neutral budget introduced last January.

Labour is further threatened by the emergence of the still small, but professionally organised, Workers Party. Ironically, Labour is a largely rural based party and what is left of its urban presence is being eroded by the dynamism of the Workers Party; it is an avowedly Marxist party which espouses the principles of democratic centralism and tells working class voters they are

CONTINUED ON NEXT PAGE

Ireland's Coalition Government will soon face a tough test as it attempts to secure a public sector wage freeze. Success would be a considerable boost in attempts to reduce inflation to European levels

Ireland's International Bank

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Allied Irish Banks
Ireland's International Bank

IRELAND 2

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Table titled 'GROWTH IN GNP 1982 TO 1984 (% change in volume)' with columns for 1982, 1983, and 1984†. Rows include Consumer spending, Government consumption, Investment spending, Exports, Imports, and Gross national product.

Recovery comes just in time

THE "Black Hole" has been the dominant topic of economic discussion in Ireland in the past month or two. That is what the Opposition likes to call the revision of the current balance of payments deficit...

Much nonsense was talked in the process but it illustrated two important points. Firstly, statistics on the Irish economy still leave a lot to be desired...

Most of the change was due to increased estimates of the profits of these firms—now calculated at £11,200m last year—and to the amounts they re-patriated.

Economic trends BRENDAN KEENAN

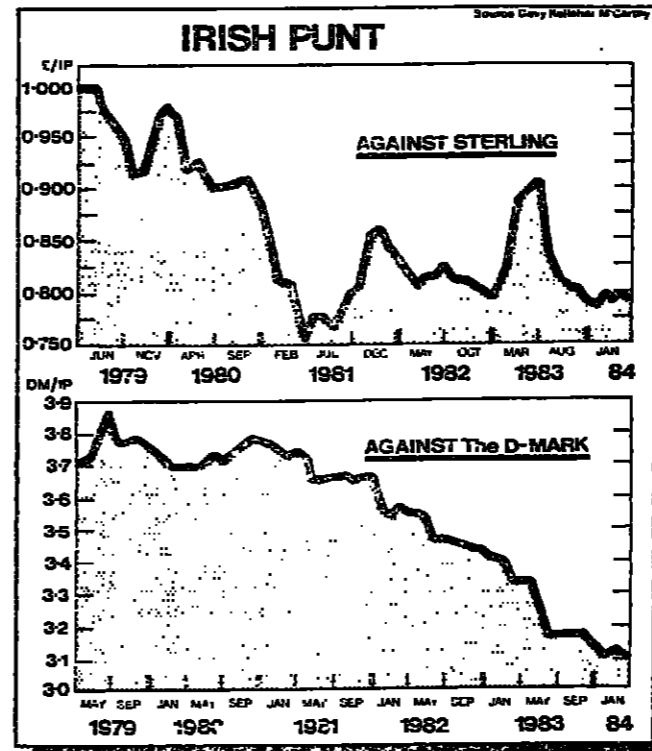
single people have marginal taxes of over 60 per cent on average earnings... Unemployment is 17 per cent and, although the rate of increase has slowed dramatically...

The Government points to the improvement as proof that its policies are working, while acknowledging that much is due to the international recovery.

Consumption should increase by 3 per cent, due to a small rise in personal disposable income and a reduction in the present high level of personal savings.

The recovery comes just in time for the hard-pressed Irish citizen. Living standards have fallen 18 per cent in the past three years.

The sharp rises in taxation are themselves causing distortions, with an estimated £250m spent across the border in Northern Ireland last year...



Dr Garret FitzGerald, who leads the Coalition Government of the Fine Gael and Labour parties, claims that improvements are proof that Government policies are working.

Coalition's modest advances

CONTINUED FROM PREVIOUS PAGE

being made to pay for the economic recession.

With 17 per cent of the working population from the dole queues there has, so far, been surprisingly little social disquiet.

Under pressure from Labour Party ministers the overall direction of government economic policy still favours high state expenditure and, in consequence, high rates of taxation.

Middle income earners—from whom the major party in Government, Fine Gael, draws its most substantial support—are expected to tolerate very high levels of direct taxation.

Policies

As part of a policy of avoiding issues which could lead to a serious rift between the parties in government, two weightsy reports...

Success will have to be sought in other fields. Agreement with the British government about fundamental changes in its Northern Ireland policy is one such hope.

Thus far, social policy has been confined to a bill granting increased powers of detention to the police and the establishment of a plethora of committees...

Rather more is expected from reforming coalition governments, especially one led by Garret FitzGerald...

in persuading public sector workers and those in industries servicing the home market to accept little or no pay increases this year.

The new industries which Ireland attracted under its generous tax and grants incentives have served the country well during the recession.

Foreign borrowing, which caught most of the limelight when the extent of the economic difficulties became apparent, has also been sharply reduced.

The Government can point to all these factors as evidence that the economy is at least under control and responding to Government measures.

It was felt that, with over a year in office, the Government should have been able to do more to reduce Ireland's high level of public spending.

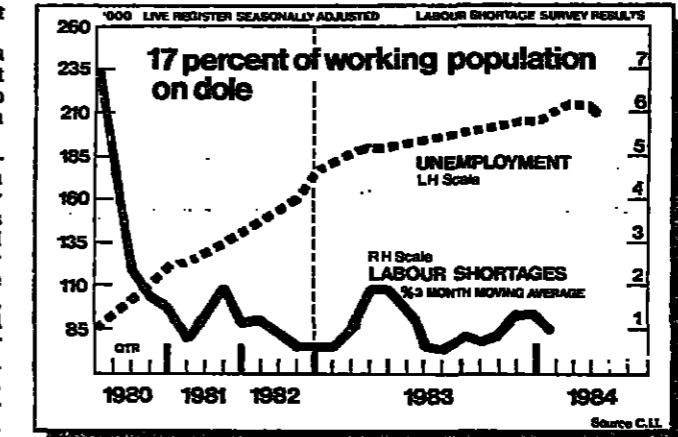
Dr Brendan Menton, consultant economist to Allied Irish Banks, echoes the view of many of his colleagues when he says that much of the structural adjustment was at the expense of the real economy.

The sharp rises in taxation are themselves causing distortions, with an estimated £250m spent across the border in Northern Ireland last year...

Targets

The Opposition, under Mr Charles Haughey, has highlighted the failure of the Government to meet its own targets, while being careful not to say where it would make the necessary cuts.

The Labour Party, which is the junior partner in the ruling Coalition, has not had an easy



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Energy projects

BRENDAN KEENAN

THERE HAS been plenty of excitement on the Irish energy scene recently—possibly a little too much. Most of it was generated by Gulf Oil's discovery last summer of an oil flow of 10,000 barrels per day off the south coast.

The find came just as some observers were beginning to despair of Irish offshore prospects. The discovery of the Kinsale Head gas field more than a decade ago by Marathon Oil, at an early stage in Irish exploration, promised great things.

Seventy wells later, the prospects had dimmed considerably. Until last year the only significant shows were off the west coast in heavily-faulted structures and in over 1,000 feet of water.

The ripples from Gulf's find spread far beyond the oil industry. It was in the shallow waters of the Celtic Sea, it was in Jurassic rocks which had generally been considered barren in Irish waters and a one-third stake was held by Atlantic Resources, an Irish company headed by the charismatic Dr Tony O'Reilly, one of Ireland's most colourful and successful businessmen.

The appraisal well which was started last November evoked unprecedented stock market interest. Stories abounded of people raising mortgages, borrowing money and buying "on account" to get in on the boom. Atlantic Resources, which had seen a rights issue flop at 40p, was valued at over £20 per share at the height of the speculation.

In the end the real winner—not for the first time—was Ireland's complex offshore geology. The well found only water and a lot of shale speculators got burnt. The resulting disappointment, however, may have obscured the significance of the Gulf discovery.

The oil which was found was of the highest quality and its discovery means that the Celtic Sea is effectively unexplored because so few wells have been drilled into the Jurassic rocks.

The find is a tribute to Atlantic Resources' chief geologist Dr Don Sheridan, who maintained for many years that these rocks could produce oil.

Dr Sheridan is characteristically cautious about the implications of the discovery. His message is that only further drilling will establish whether Gulf's find is an aberration or the opening of a whole new oil "province" for Ireland. He is much more forthcoming on the issue of Ireland's draft licensing terms, which he believes are a serious disincentive to exploration.

Objection

Companies take particular objection to the fact that the government could be entitled to take up to 50 per cent of any field but does not have to pay for its stake until the field is producing. Many analysts believe these provisions, and the results in recent years, are scaring the major companies away from Irish waters.

The proof may come next year with the results of the third licensing round, which was announced earlier this year by Energy Minister and deputy Premier Mr Dick Spring. Most of the available Celtic Sea blocks are on offer and there ought to be considerable interest. If there is not, a fresh look at the terms may have to be taken.

The argument over whether the terms should be eased became intense as the possibility of early production from the Gulf field loomed. The disappointing result has postponed the need for decision but made the argument more relevant because it is now likely that, at best, Gulf has discovered a marginal field of less than 50m barrels.

The licensing terms could be crucial in deciding the economics of production from such a field. The terms allow the Government flexibility in any individual case but it may prove politically difficult to make the necessary concessions if further wells confirm a marginal discovery.

There has also been lively debate about general energy policy, in areas which, in the end, may prove just as funda-

mental as offshore exploration. Agreement was reached last year on the piping of natural gas to Belfast, on terms which are generally regarded as highly favourable to the Republic. The contract should bring the Irish Government £500m over the life of the deal and the built-in price clause should guard against currency fluctuations, while keeping prices in line with general energy prices.

It has not proved so easy to construct a favourable arrangement for the supply of natural gas from Kinsale to customers in the Republic. Terms of a financial deal with the Dublin Gas Company provoked the resignation of a Government Minister, the former Labour party leader Mr Frank Cluskey. Mr Cluskey was incensed that almost £170m in Government

money, guarantees and gas subsidies should be made available to a private company, even though the Government acquired a 25 per cent stake in return.

The Government's problem was that, once having decided to supply gas to Dublin, it had to either nationalise the ailing company or equip it financially to undertake the £1.00m conversion and expansion project.

The fear among several experts is that the plan to supply most of Dublin with natural gas is ill-conceived anyway. They believe the population is simply not large enough to justify extending the network to domestic consumers in the suburbs. Better, it is argued, to confine the gas areas already piped and to large industrial users, they argue.

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IRELAND 3

New impetus for change in industrial policy
Strategy reappraised

LAST MONTH the Irish parliament debated a motion of no confidence in the Finance Minister, Mr Alan Dukes. Mr Dukes and the government easily survived the vote but there will still be considerable analysis of the revelations which gave rise to the debate.

Revised statistics showed that foreign-owned firms repatriated 15500m more in profits last year than had been thought, and that figures for previous years were also correspondingly higher.

It has been adjusting rapidly to the latest new thinking. After an internal re-organisation the agency has been adapting its policies towards the development of native industry and improving the links between foreign concerns and the rest of the economy.

A key element in the new approach will be intensive work between IDA and particular local companies to help them draw up development plans to improve their products and investment," says Mr White.

His overall objective is to increase the output of Irish industry rather than counting the number of jobs, as in the past.

The newspaper industry could be one of the first to feel the effects of the tougher policy. So far IDA has refused to give capital grants for the introduction of new technology in the troubled "Irish Press" group, saying there must be clear economic benefits such as extra export earnings to justify grants.

Mr White is convinced that the impact of new technology means that the link between output and jobs is now tenuous and that the jobs will come in services as the wealth created by higher productivity circulates. That presents particular problems where foreign companies are concerned because, with entitlement to full repatriation of profits, the extra output may have limited benefits for the local economy.

This is the real message of the profit outflow figures. Some of the companies spend little more than their wages bill in Ireland and, in the new high-technology companies, wages are a relatively minor element in total costs. IDA's task is to encourage firms to establish key functions in Ireland and improve linkages with local firms.

At present both are limited. About 10 per cent of foreign companies have formal R and D departments in Ireland—although that is a better figure than those for companies and only one sixth of their requirements for components and sub-assembly work are sourced in Ireland.

IDA is working hard to improve both situations, although it is an area where progress is slow.

Industrial developments
BRENDAN KEENAN

IDA commissioned McKinsey International Consultants to train its executives in this new way of working with client companies.

IDA's managing director, Mr Padraic White, describes this as the "catalyst" approach, pointing out that the agency's role is that of promoter and provider of expert advice but that responsibility for the plan rests with the company.

Up to 100 companies will be selected for the "catalyst" technique this year and where a company appears to have potential for expansion IDA will draw up a programme of finance, advice and international contacts to implement the plan.

The sting in the tail for Irish business is that companies which do not appear to have potential or which do not draw up suitable programmes will not receive state assistance. This tougher approach has already been endorsed by Ireland's Prime Minister Dr Garret FitzGerald.

"If IDA does not believe a project will be carried out efficiently then it will not approve grants for capital



Mr Padraic White, managing director of the Industrial Development Authority, aiming to strongly increase the output of industry.

Banks chided for 'making too much money'
Lively debate on profits

Banking sector
BRENDAN KEENAN

IRISH BANKERS are feeling a little unmoved at present, just as they were restoring profit levels, while still struggling with high bad debt provisions, poor demand and Government levies, along came the Deputy Prime Minister and told them they are making too much money and lacking in social conscience.

There was a European election on at the time, admittedly, but the comments of Mr Dick Spring, leader of the Labour Party—the junior partner in the ruling coalition—reflected the uneasy relationship between the Irish public and the Irish banks.

The banks were particularly aggrieved that, with international attention focused on the problems of many of the world's biggest banks, they should be chided for making too much money.

That is not the way the banks themselves see it. Although they are fortunate in not being exposed to doubtful Latin American or Third World loans, Irish bankers regard the current conditions as difficult and thus requiring all their efforts to maintain respectable results.

There was a marked improvement this year, but from the low point of 1983. The two big Irish-owned banks, Allied Irish and the Bank of Ireland, last month reported increases in pre-tax profits of 24 per cent and 43 per cent respectively, although AIB's figure was 120m higher at 190m.

Nat West, a subsidiary of Ulster Bank, also showed a 25 per cent increase to 21.5m (£26.5m) and Northern, the Midland subsidiary whose business is mainly in Northern Ireland, also seems on the road to recovery from recent trauma. Profits more than doubled to more than 10m.

These results have been obtained despite the very high levels of bad debt provisions which Irish banks are having to carry. AIB had hoped to reduce its bad debt provision this year, but instead had to increase it by 14m to 123m overturning its half-year estimates in the process. Bank of Ireland has been making even higher provisions in recent years and was

able to make only a small reduction to 1542m.

More seriously, his words bring cold comfort for any bankers still hoping for an early amelioration of the "temporary" levy, which has now extracted 1275m from the banks since it was introduced three years ago.

The levy reflected another popular belief; that the banks have not been paying enough tax.

An attempt in this year's budget to deal with this problem ended in something of a debacle. The banks reduce their tax charges by lending and leasing to industry, and pass on the benefit—or most of it—in the form of lower interest rates.

The Finance Minister, Mr Alan Dukes, proposed to restrict such arrangements. The resulting higher tax charges on the banks might have enabled the levy to be eliminated progressively.

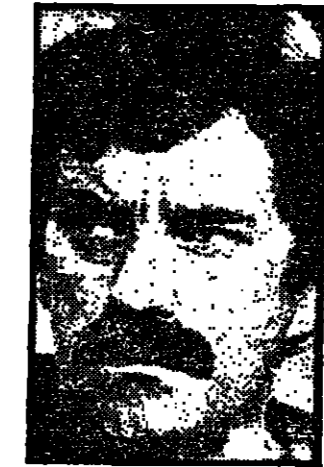
But Mr Dukes appeared to have miscalculated the importance of tax-based lending to many sectors of Irish industry, including the politically powerful dairy co-ops, as well as at least one of Ireland's most successful companies. He dropped the measure in the subsequent Finance Bill.

One final irony is that the banks had disposed of all this year's tax-based lending in the interim and have room for little more for the rest of the year.

It seems unlikely, therefore, that Irish banks can look forward to an early end to the levy. They must consider now how best to live with it. The view of most bankers is that, if their capital base is not to be eroded, the cost must eventually be borne by the customer.

Things are even tougher in the world of merchant and investment banks. Many believe that Ireland is over-banked in this sector now that the Irish economy has not continued the spectacular growth rates which attracted many foreign banks to Dublin in the 1970s.

Subsidiaries of major Irish banks have had mixed fortunes with Ulster Investment Bank having a satisfactory performance, and Allied Irish Investment Bank seeing a profit fall this year. But the subsidiaries can relate to their parents and offer a wide package of products to an established customer-base leaving the foreign-owned, banks in many cases, to feel the worst of their draught.



Mr Dick Spring, leader of the Labour Party and junior partner in the ruling Coalition: bank profits are too high, he says.

Manufacturing output 1979/83

	Annual change
New technology	+15
Food, drink and tobacco	+2
Traditional	-3

Comparisons of % output

	Total em- Output	ployment
Japan	6.5	1.2
Ireland	5.5	1.1
Italy	2.9	0.5
Germany	2.5	0.2
EEC	2.3	0
UK	0.5	-1.0

Exports growth

	Annual growth	% of national output
1961-70	8	30
1971-80	8	42
1981-83	8	50

Ireland's top five exports

	% total exports
1 Computer equipment	14
2 Chemicals	14
3 Meat	8
4 Dairy products	6
5 Electrical machinery	4
Total	46

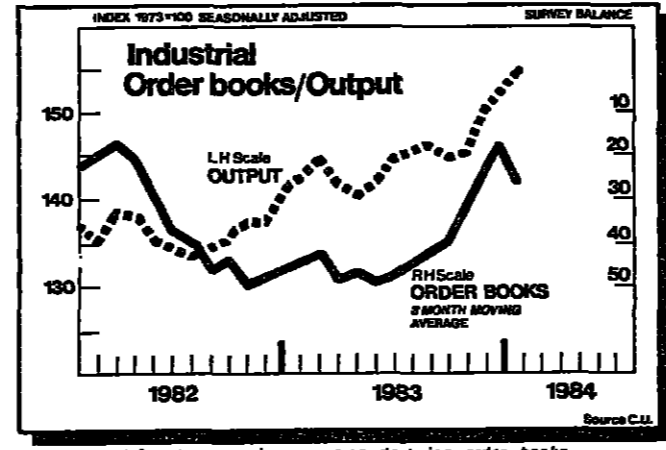
Exports share

	1979	1983
New technology	25	33
Food	37	28
Traditional	38	34

Changing structure of industry % of output

	1979	1983
New technology	27	46
Food, drink and tobacco	39	31
Traditional	33	29
Total	100	100

Source: Confederation of Irish Industry.



1 % of companies reporting declining order books.

Success in attracting high technology industries from overseas

Output rising steadily

IRISH EMPHASIS on electronics as the main sector for foreign investment seems certain to continue.

The Industrial Development Authority (IDA) is convinced that electronics, pharmaceuticals and health-care products offer the best prospects for growth in manufacturing in the next few years.

There was a marked reduction in the number of new investments last year, but 1984 should prove significantly better. IDA officials are confident that at least three major overseas projects will be captured in the next few months, with the potential for several thousand jobs.

Irish efforts to portray the country as a good base for electronics appear to be succeeding. The Electronics Location File, in its survey taken at the end of last year, found that Ireland had overtaken West Germany and was second only to the UK as the preferred location for U.S. companies considering locating overseas. Fifty of the 295 companies questioned would choose Ireland.

The survey found that comparatively low wage rates, good industrial relations and Ireland's "renowned" incentive package were the main sources of attraction. Small and

numbers below target. Indeed, some of the comparatively new plants in Ireland are already behind the labour-saving technology in use in the U.S.A.

There is a danger here which Irish workers may not fully appreciate. There is evidence that electronics companies are willing to pay generous wage increases to maintain industrial peace. In the present wage round, such companies are among the early settlers, with 10 per cent pay rises being typical. This is a rate which traditional industries, and the Government itself, would not want to follow.

But it is likely that the companies would respond very quickly if, at the end of the day, Irish workers were to lose their competitive edge in wage-rates, either by re-hosting or shedding jobs through introducing new technology.

Output from the industry is now over 12bn per year, with computers themselves accounting for over half the total. Output increases of around 12 per

Electronics
BRENDAN KEENAN

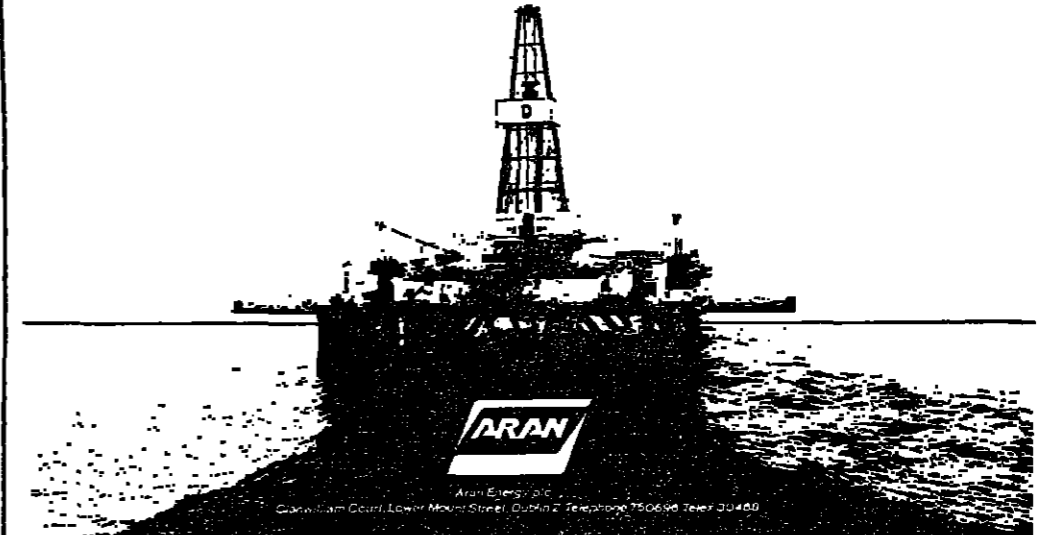
medium-sized companies, which are the ones that IDA pursues, also preferred the fact that they would be in an English-speaking culture.

It is true that there has been some slippage from the original targets for the industry, which foresaw 40,000 people employed by the end of the decade. The present total of 17,000 is, in that sense, disappointing. A combination of international recession and Ireland's own economic difficulties, which affected the country's image abroad, are mainly to blame.

Output has been rising steeply, however, showing that the sharp gains in productivity may also have kept the job

CONTINUED ON NEXT PAGE

BRINGING HOME IRELAND'S NATURAL RESOURCES FROM SEA AND LAND



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REPUBLIC OF IRELAND



"WE'RE THE YOUNG EUROPEANS."

NFC links up with Union Int.

BY ALEXANDER NICOLL

COLD STORAGE interests of National Freight Consortium, the employee-owned transport and travel group, have been merged with those of the Vestey family's Union International.

NFC has taken 50 per cent and Union International 40 per cent of a new company, Tempo Union, formed from their respective subsidiaries Tempo International and Union Cold Storage.

Prudential 47% lift in single premiums

A 47 PER CENT growth in worldwide single premiums is reported by Prudential Corporation for the six months ended June 30 1984. They rose from £135.4m in 1983 to £199.3m, while annual premiums showed little change at £142.8m, against £144.3m.

Duncan Campbell-Smith looks at the regional brewers Many ways to achieve growth

THE REGIONAL and national brewers have long since departed from the David and Goliath script painstakingly set out for them by the City two years ago. The various strategies now being improvised by the regionals project none of the volume growth which was once expected to seed tiny stones hurtling in the major brewers' direction.

The successful resolution for Matthew Brown last Tuesday of the problems over its bid for T. and R. Theakston comes none too soon and should fit well with Brown's purchase of its John Smith pubs in February—though the Theakston name looks a bit exotic by comparison.

The generally good cash flow of the regionals has helped them extend their traffic areas via pub acquisitions or full mergers, but it also opens up the prospect of some diversification outside brewing. How much of a seller's market this has created for first-class hotel chains is evident from Greenall's bid for De Vere Hotels and Restaurants.

COMPANY NEWS IN BRIEF

Net taxed revenue of the Alva Investment Trust for the year ended February 28 1984 has fallen from £154,000 to £141,000, and the dividend is cut from 10.5p to 9p with a final 4.5p. Earnings were down to 5.06p (9.42p).

Assets were £5.5m (£2.8m) despite having made considerable payments in respect of net tonnage. Mr Grant Cochrane, the chairman, says he continues to view the future with confidence.

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FT Share Information The following securities have been added to the FT Share Information Service: Home Charm Group 7/4 Cnv. U.S. Loan Sbk. 97/04 (Section: Drapery & Stores).

Granville & Co. Limited Member of NASDMM Telephone 01-621 1212 Over-the-Counter Market Capitalisation, Company, Price on week end, (p) % Actual traded

WICO, GALLOWAY & PEARSON LIMITED MEMBER OF THE STOCK EXCHANGE commences trading today in succession to the partnership of GALLOWAY & PEARSON

The Bank of Nova Scotia (a Canadian Chartered Bank) US\$ 100,000,000 13% Deposit Notes due 15th July, 1987 Issue Price: 100%

FINANCIAL TIMES STOCK INDICES Table with columns for Government Secs, Fixed Interest, Industrial Ord, Gold Mines, FT Act. All-Share, FT SE 100 and rows for June 29, June 30, June 31, 1984 High, 1984 Low, Since Complet. High, Since Complet. Low

EQUITIES

Table of stock prices with columns for Issue price, Amount, Return, Date, 1984 High, 1984 Low, Stock, Change, + or -, Net Div, Dividend, Dividend Yield, P/E Ratio

FIXED INTEREST STOCKS

Table of fixed interest stocks with columns for Issue price, Amount, Return, Date, 1984 High, 1984 Low, Stock, Change, + or -, Net Div, Dividend, Dividend Yield, P/E Ratio

"RIGHTS" OFFERS

Table of rights offers with columns for Issue price, Amount, Return, Date, 1984 High, 1984 Low, Stock, Change, + or -, Net Div, Dividend, Dividend Yield, P/E Ratio

Renunciation date usually last day for dealing free of stamp duty. Figures based on prospectus estimates. Dividend rate paid or payable on date of capital; cover based on dividend on full capital. G Assumed dividend and yield. F Forecast dividend cover based on previous year's earnings. C Canadian. D Dividend and yield based on prospectus or other official estimates for 1983-84. O Dividend. P Pence unless otherwise indicated. I Issued by tender. O Offered to holders of ordinary shares as a "rights" issue by way of capitalisation. R Reinstituted. S Issued in connection with reorganisation merger or takeover. B Allotment letters for fully-paid. U Unlisted. S Unlisted Securities Market. P Placing price. T Official London Listing. N No par value.

BIDS AND DEALS IN BRIEF

Comben, the Bristol-based housebuilding company, will recommend shareholders to accept last week's £4m bid from Trafalgar House, the shipping and construction group which will acquire a 48 per cent holding. Trafalgar House has launched its 77p net share bid by surprise last Friday immediately after acquiring almost all its present stake from a subsidiary of Hawker Siddeley.

PENDING DIVIDENDS

Table of pending dividends with columns for Date, Announcement, Date, Announcement, Date, Announcement, Date, Announcement

Closing prices June 29

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month	High	Low	Stock	Dr.	Yld.	P/E	100s	High	Low	12 Month	High	Low	Stock	Dr.	Yld.	P/E	100s	High	Low
20.0	22.0	19.0	AAR	0.10	12.0	15.0	100	18.0	15.0	20.0	22.0	19.0	AAR	0.10	12.0	15.0	100	18.0	15.0
15.0	17.0	14.0	AAE	0.10	12.0	15.0	100	18.0	15.0	15.0	17.0	14.0	AAE	0.10	12.0	15.0	100	18.0	15.0
10.0	11.0	9.0	AAI	0.10	12.0	15.0	100	18.0	15.0	10.0	11.0	9.0	AAI	0.10	12.0	15.0	100	18.0	15.0
5.0	6.0	4.0	AAJ	0.10	12.0	15.0	100	18.0	15.0	5.0	6.0	4.0	AAJ	0.10	12.0	15.0	100	18.0	15.0
1.0	1.5	0.5	AAK	0.10	12.0	15.0	100	18.0	15.0	1.0	1.5	0.5	AAK	0.10	12.0	15.0	100	18.0	15.0
...

Continued on Page 27

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Closing prices June 29

Main table of American stock exchange closing prices, organized by sector (A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z) and including columns for stock name, price, and change.

Continued on Page 28

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table of New York stock exchange closing prices, organized by sector (A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z) and including columns for stock name, price, and change.

Notes on dividend figures and stock exchange information, including details on annual dividends and stock exchange procedures.

WORLD VALUE OF THE POUND every Tuesday in the Financial Times

WORLD STOCK MARKETS

OVER-THE-COUNTER

Nasdaq national market, closing prices June 28

Main table containing Nasdaq national market closing prices for various stocks including AGS, AIA, ADX, etc.

CANADA

TORONTO

Table containing Toronto stock market closing prices for various Canadian companies.

SPAIN

Table containing Spanish stock market closing prices for various companies.

JAPAN

Table containing Japanese stock market closing prices for various companies.

AUSTRALIA

Table containing Australian stock market closing prices for various companies.

AMERICAN STOCK EXCHANGE CLOSING PRICES

Table containing American Stock Exchange closing prices for various stocks.

AUSTRIA

Table containing Austrian stock market closing prices.

GERMANY

Table containing German stock market closing prices.

NETHERLANDS

Table containing Dutch stock market closing prices.

SWITZERLAND

Table containing Swiss stock market closing prices.

SOUTH AFRICA

Table containing South African stock market closing prices.

DENMARK

Table containing Danish stock market closing prices.

HONG KONG

Table containing Hong Kong stock market closing prices.

NORWAY

Table containing Norwegian stock market closing prices.

SWEDEN

Table containing Swedish stock market closing prices.

SINGAPORE

Table containing Singapore stock market closing prices.

ENERGY REVIEW every Wednesday in the Financial Times

Handwritten signature 'John' at the bottom center of the page.

WORLD STOCK MARKETS

WALL STREET Recovery remains tentative

THE PAST fortnight has been a troublesome time for Wall Street and the U.S. investment community...

The response of the financial markets has been somewhat irregular. The federal bond market has fallen by around two points...

The blow came when the Commerce Department announced its "flash" esti-

mate of 5.7 per cent annual growth rate in GNP in the second quarter. The increase was substantially above market expectations...

The news was quickly followed by the disclosure of increases of 0.6 per cent in personal income and of 1.1 per cent in personal spending in May...

The bond market slumped heavily on the GNP announcement and has since remained flat as traders wait apprehensively for the outcome of the Treasury's \$15.5bn mini-refunding...

Last week's half-point rise to 13 per cent in bank prime rates had become almost inevitable, in view of the upward pressures on money market and other short term rates...

market committee meets on July 15-17. The stock market had already run into trouble before the GNP flash announcement. It plunged sharply on June 18...

Since touching its 18-month low, the stock market has climbed, painfully and sometimes erratically, up to the 1132 range on the Dow scale...

Takeover situations have provided a number of features. Prime among them has been General Motors' purchase of Electronic Data Systems for \$2.55bn...

Monk build a true reflection of your design. Monk Building Services Ltd. A Monk & Company plc. PO Box 45, Warrington, Cheshire WA1 4B Tel: 0524 22020

£8m orders placed with MJ Gleeson

M. J. GLEESON GROUP has four contracts—one in Sheffield and three in Manchester, worth a total of more than £8m. Largest is worth £4.8m for the super-structure of the Sheffield central fire station complex...

CONSTRUCTION CONTRACTS

£26m work for Balfour Beatty

BALFOUR BEATTY CONSTRUCTION has won contracts worth £26m. The southern construction division has been awarded its third contract for the GLC on the Rochester Way relief road scheme...

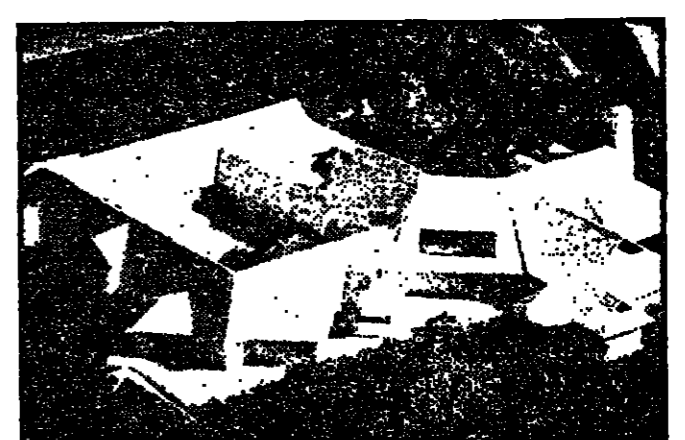
is due for completion by the end of next year. The flats will be predominantly for the elderly, and there will be a resident warden and warden-call system, with centralised heating.

TURRIFF CONSTRUCTION has work worth over £1.25m. The company has a contract from Nottingham City Council for improvements and repairs to 67 houses at Broxtowe worth about £591,000...

LOVELL CONSTRUCTION (SOUTHERN) has won contracts worth £3.6m for housing at Guildford and retail showrooms at Swindon. Work will start shortly at Tilehouse Farm for Guildford Borough Council...

FAIRCLOUGH CIVIL ENGINEERING is to build the track for an automatic rapid-transit system at Gatwick Airport. Under a £1m contract from the British Airports Authority...

WIMPEY CONSTRUCTION UK has started work on a £1.3m contract for construction of the Princess Alice Hospice on a 3.5 acre site at Esher. The 26-bed hospice will care for the terminally ill from Richmond, Kingston, Staines, Egham, Sutton, Leatherhead, Epsom and Ewell...



A contract worth nearly £1.25m has been awarded by Servite Houses Limited to CORRAL CONSTRUCTION for the conversion of five terrace properties at Redcliffe Square, London, SW10, to provide 47 flats...

be overcome by areas of slight stepped terracing. These will relate the building to surrounding site levels without prejudicing the domestic scale of the single-storey pitch roof forms which will be finished in plain tiles, above facing brick walls with timber screen infill. The functional elements of the hospice will be built around a central courtyard. Completion is scheduled for the end of summer 1985.

OVER-THE-COUNTER

Table with columns: Stock, Sales (Shares), High, Low, Last, Chng. Lists various stocks like BHP, BP, ICI, etc.

Table with columns: Stock, Sales (Shares), High, Low, Last, Chng. Lists various stocks like Anglo, BHP, BP, etc.

Indices

Table for NEW YORK DOW JONES indices. Columns: Date, High, Low, Last, Chng. Rows: Industrials, S&P 500, etc.

Table for LONDON FTSE 100 indices. Columns: Date, High, Low, Last, Chng. Rows: FTSE 100, Industrial, etc.

Table for STANDARD AND POORS indices. Columns: Date, High, Low, Last, Chng. Rows: Industrials, Composite, etc.

Table for N.Y.S.E. ALL COMMON stocks. Columns: Date, High, Low, Last, Chng. Rows: Various stock symbols.

Table for NEW YORK ACTIVE STOCKS. Columns: Stock, Change. Rows: Various stock symbols.

Table for AUSTRALIA, BELGIUM, DENMARK, FRANCE, GERMANY, HONG KONG, ITALY, JAPAN, NETHERLANDS, NORWAY, SINGAPORE, SOUTH AFRICA, SPAIN, SWEDEN, SWITZERLAND, WORLD CAPITAL RATES. Columns: Stock, High, Low, Last, Chng.

Table for AUSTRALIA, BELGIUM, DENMARK, FRANCE, GERMANY, HONG KONG, ITALY, JAPAN, NETHERLANDS, NORWAY, SINGAPORE, SOUTH AFRICA, SPAIN, SWEDEN, SWITZERLAND, WORLD CAPITAL RATES. Columns: Stock, High, Low, Last, Chng.

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Source: Reuters. All figures are in US dollars unless otherwise stated. Figures in parentheses are percentages.

BUSINESSMAN'S DIARY UK TRADE FAIRS AND EXHIBITIONS

- July 2-3 Insurance Information Exchange Exhibition (0223 642449) Alexandra Palace
July 2-5 Royal Show (0203 555100) Royal Show Ground, Harrogate
July 5-8 International Military Helicopter and Equipment Exhibition (01-643 8040) Middle Wallop
July 10-12 International Satellite and Cable TV Exhibition and Conference - CABLE (01-688 4486) Wembley Conference Centre
July 10-12 Education Training and Development Exhibition and Conference (01-637 2400) NEC Birmingham
July 10-12 Great Yorkshire Agricultural Show (01-428 2593) Harrogate Showground, Harrogate
July 15-19 Harrogate Gift Fair (0282 867153) Harrogate
September 2-5 International Watch, Jewellery and Silver Trades Fair (01-643 8040) Earls Court
September 4-7 International Carpet Fair - ICF (021-705 6707) Harrogate

OVERSEAS TRADE FAIRS

- August 24-26 International Men's Fashion Week and Jeans Fair (01-630 7251) Cologne
August 28-30 International Security Conference and Exhibition (01-630 5051) New York
September 5-8 International Trade Fair for Hotels, Restaurants, Catering and Foods - HOTELRES (01-683 1158) Bangkok
September 9-6 International Autumn Fair (01-636 1051) Zagreb
September 12-19 International Engineering Fair (021 455 9600) Brno

BUSINESS CONFERENCES

- Current The Institute of Petroleum: 10th Energy Seminar (until July 7) (01-636 1004) Robinson College, Cambridge
July 3 Headline Conferences: "Money for Business" UK Industrial Incentives (0272 20234) Bristol
July 3 Macfarlane Conferences: The New Age of Pharmaceutical Marketing - maximizing the effectiveness of reduced promotional budgets (01-637 7435) Portman Hotel, WI
July 4-6 Institution of Mechanical Engineers: Cambridge manufacturing forum (01-222 7899) Cambridge
July 5 Henley Centre for Forecasting: Future for Business (01-353 9861) NEC, Birmingham
July 10 Longman: Tax Shelter Investments after the Finance Bill (01-242 2548) Barbican Centre, EC2
July 12 ESC: International Commercial Arbitration (0572 222711) Tower Hotel, EI
July 17 London Chamber of Commerce and Industry: Employment law update seminar (01-245 4444) Cannon Street, EC4
July 23-August 1 The Institute of Information Scientists: European funding for business (0207 500957) Newcastle upon Tyne

This advertisement is issued in compliance with the requirements of the Council of the Stock Exchange. It does not constitute an invitation to subscribe or purchase any Notes.

NATIONAL BANK OF CANADA. U.S. \$50,000,000 FLOATING RATE DEPOSIT NOTES DUE JULY 1991. Payment of principal and interest ranking pari passu with deposit liabilities. First Chicago Limited, Merrill Lynch Capital Markets, Société Générale, Bank of Tokyo International Limited, Banque Bruxelles Lambert S.A., Banque Indosuez, Hambros Bank Limited, Kredietbank International Group, Manufacturers Hanover Limited, Samuel Montagu & Co. Limited, The National Bank of Kuwait S.A.K., Sumitomo Finance International, Swiss Bank Corporation International Limited, Takagin International Bank (Europe) S.A.

COGEFAR COSTRUZIONI GENERALI S.p.A. Lire 12,000,000,000 "evergreen" facility arranged by BARCLAYS Finanziaria S.p.A. Barclays International Finanziaria S.p.A. provided by Manufacturers Hanover Trust Company, The Hongkong and Shanghai Banking Co., American Express International Banking Co., Banca del Fucino - Banco di Napoli, Cassa di Risparmio di Ravenna, Cassa di Risparmio di Torino, Société Générale de Banque, The Bank of Tokyo. Agent: Manufacturers Hanover Trust Company. May 1984.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgrs. (a), Allport Home, Allied Unit Trusts Limited, and Anthony Water Unit Tr. Mgrs. Ltd. with columns for name, manager, and performance metrics.

Table listing unit trusts under the heading 'British Group Continued', including British Growth, British Income, and British Property.

Table listing unit trusts under the heading 'Flemington Unit Tr. Mgrs. Ltd.', including Flemington Growth, Flemington Income, and Flemington Property.

Table listing unit trusts under the heading 'Fleet Street Unit Tr. Mgrs. Ltd.', including Fleet Street Growth, Fleet Street Income, and Fleet Street Property.

Table listing unit trusts under the heading 'Fleet Street Unit Tr. Mgrs. Ltd. (continued)', including Fleet Street Growth, Fleet Street Income, and Fleet Street Property.

Table listing unit trusts under the heading 'Fleet Street Unit Tr. Mgrs. Ltd. (continued)', including Fleet Street Growth, Fleet Street Income, and Fleet Street Property.

Table listing unit trusts under the heading 'Fleet Street Unit Tr. Mgrs. Ltd. (continued)', including Fleet Street Growth, Fleet Street Income, and Fleet Street Property.

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Table listing unit trusts under the heading 'Fleet Street Unit Tr. Mgrs. Ltd. (continued)', including Fleet Street Growth, Fleet Street Income, and Fleet Street Property.

FT UNIT TRUST INFORMATION SERVICE

Main table of FT Unit Trust Information Service, listing various unit trusts such as Fleet Street Unit Tr. Mgrs. Ltd., Fleet Street Unit Tr. Mgrs. Ltd. (continued), and Fleet Street Unit Tr. Mgrs. Ltd. (continued).

INSURANCES

Table listing various insurance companies and their services, including AA Friendly Society, Allstate Life Assurance Co. Ltd., and Allstate Life Assurance Co. Ltd.

F.T. CROSSWORD PUZZLE No. 5455

CROSSWORD PUZZLE No. 5455. ACROSS: 1 Cargo list is easily seen (5), 2 Crown the spider (6), 3 Soak with little money becomes taciturn (8), 4 Eagle or Puffin (6), 5 Just beginning a tonic he mixed (5), 6 The French chap goes to old city for work (6), 7 Competent, but not if price is altered (10), 8 There's scope in postscript for obvious remarks (10), 9 Itinerant dealer once a sponger (6), 10 No rating could be so un-informed (8), 11 Argue about an issue (6), 12 Building material having solid centre? (8), 13 Almost laughable - I'm returning to rich Englishman (6), 14 Supporter heard ten misbehaving (8), 15 Deposit may spoil drink (6), 16 See me for one going round in charge (6), 17 Noisy performer acquires asset (6), 18 Ration a sum allocated to medical institution (10).

Crossword puzzle grid with numbers 1 through 27 indicating the starting positions for the clues.

DOWN: 1 Demand example (8), 2 Swimmer e.g. on Dart in difficulties (8), 3 Many a river goddess is reasonable (8), 4 Later watch by men on quarter-deck (8-9), 5 Gamble on the first liquor range (8), 6 Flier to settle on bar (8), 7 Entranche showing some pretentiousness? (4-4), 8 Design background the Spanish come up to cress (6), 9 Demonstrate a race is continental (6), 10 The solution to last Saturday's prize puzzle will be published with names of winners next Saturday.

Table listing various insurance companies and their services, including AA Friendly Society, Allstate Life Assurance Co. Ltd., and Allstate Life Assurance Co. Ltd.

INSURANCE, OVERSEAS & MONEY FUNDS

Liberty Life Assurance Co Ltd
National Provident Institution
Saver & Prosper Group
Target Life Assurance Co Ltd
Grindley Henderson Mgt Ltd
CAL Investments (UK) Ltd
Grindley Henderson Mgt Ltd
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Grindley Henderson Mgt Ltd

OFFSHORE AND OVERSEAS

Money Market

Trust Funds

Bank Accounts

Money Market
Trust Funds
Bank Accounts
Money Market
Trust Funds
Bank Accounts

FT LONDON SHARE INFORMATION SERVICE

WOLSELEY-HUGHES From Leeds to Louisiana we're growing from strength to strength

BRITISH FUNDS Table with columns: Fund Name, Price, Dividend, Yield, etc.

Five to Fifteen Years Table with columns: Fund Name, Price, Dividend, Yield, etc.

Over Fifteen Years Table with columns: Fund Name, Price, Dividend, Yield, etc.

Undated Table with columns: Fund Name, Price, Dividend, Yield, etc.

Index-Linked Table with columns: Fund Name, Price, Dividend, Yield, etc.

CORPORATION LOANS Table with columns: Company Name, Price, Dividend, Yield, etc.

COMMONWEALTH AND AFRICAN LOANS Table with columns: Company Name, Price, Dividend, Yield, etc.

LOANS Building Societies Table with columns: Society Name, Price, Dividend, Yield, etc.

Public Bond and Ind. Table with columns: Bond Name, Price, Dividend, Yield, etc.

FOREIGN BONDS & RAILS Table with columns: Bond Name, Price, Dividend, Yield, etc.

AMERICANS

AMERICANS Table with columns: Stock Name, Price, Dividend, Yield, etc.

BEERS, WINES - Cont.

BEERS, WINES Table with columns: Stock Name, Price, Dividend, Yield, etc.

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY, TIMBER AND ROADS Table with columns: Stock Name, Price, Dividend, Yield, etc.

DRAPERY & STORES - Cont.

DRAPERY & STORES Table with columns: Stock Name, Price, Dividend, Yield, etc.

ELECTRICALS

ELECTRICALS Table with columns: Stock Name, Price, Dividend, Yield, etc.

ENGINEERING - Continued

ENGINEERING Table with columns: Stock Name, Price, Dividend, Yield, etc.

INDUSTRIALS (Miscel.)

INDUSTRIALS (Miscel.) Table with columns: Stock Name, Price, Dividend, Yield, etc.

CANADIANS

CANADIANS Table with columns: Stock Name, Price, Dividend, Yield, etc.

BANKS, HP & LEASING

BANKS, HP & LEASING Table with columns: Stock Name, Price, Dividend, Yield, etc.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

INT. BANK AND O'SEAS GOVT. STERLING ISSUES Table with columns: Stock Name, Price, Dividend, Yield, etc.

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS Table with columns: Stock Name, Price, Dividend, Yield, etc.

DRAPERY AND STORES

DRAPERY AND STORES Table with columns: Stock Name, Price, Dividend, Yield, etc.

ENGINEERING

ENGINEERING Table with columns: Stock Name, Price, Dividend, Yield, etc.

FOOD, GROCERIES, ETC

FOOD, GROCERIES, ETC Table with columns: Stock Name, Price, Dividend, Yield, etc.

HOTELS AND CATERERS

HOTELS AND CATERERS Table with columns: Stock Name, Price, Dividend, Yield, etc.

INDUSTRIALS (Miscel.)

INDUSTRIALS (Miscel.) Table with columns: Stock Name, Price, Dividend, Yield, etc.

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Financial Times Monday July 2 1984

INDUSTRIALS—Continued

Table of industrial stock prices including companies like British Petroleum, Shell, and ICI.

LEISURE—Continued

Table of leisure stock prices including companies like British Airways and British Telecom.

PROPERTY—Continued

Table of property stock prices including companies like British Land and City of London.

INVESTMENT TRUSTS—Cont.

Table of investment trust stock prices including various funds like Fidelity and Templeton.

OIL AND GAS—Continued

Table of oil and gas stock prices including companies like BP and Shell.

Whittingham Property advertisement with contact information for Wolverhampton.

MINES—Continued advertisement listing various mining companies.

SHIPPING advertisement listing shipping companies and routes.

SOLES AND LEATHER advertisement listing shoe and leather goods.

SOUTH AFRICANS advertisement listing South African stocks.

TEXILES advertisement listing textile companies.

OVERSEAS TRADERS advertisement listing international trading companies.

PLANTATIONS advertisement listing plantation companies.

MISCELLANEOUS advertisement listing various other stocks.

NOTES advertisement providing financial notes and information.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stock prices.

Commercial Vehicles

Table of commercial vehicle stock prices.

Components

Table of component stock prices.

Garages and Distributors

Table of garage and distributor stock prices.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stock prices.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stock prices.

INSURANCES

Table of insurance stock prices.

LEISURE

Table of leisure stock prices.

SHIPPING

Table of shipping stock prices.

SOLES AND LEATHER

Table of shoes and leather stock prices.

SOUTH AFRICANS

Table of South African stock prices.

TEXILES

Table of textile stock prices.

OVERSEAS TRADERS

Table of overseas traders stock prices.

PLANTATIONS

Table of plantation stock prices.

MISCELLANEOUS

Table of miscellaneous stock prices.

NOTES

Textual notes and financial information at the bottom of the page.

FINANCE, LAND, etc

Table of finance, land, and other stock prices.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stock prices.

PROPERTY

Table of property stock prices.

INVESTMENT TRUSTS

Table of investment trusts stock prices.

PROPERTY

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PROPERTY

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MINES—Continued advertisement listing various mining companies.

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NOTES advertisement providing financial notes and information.

REGIONAL & IRISH STOCKS

Table of regional and Irish stock prices.

OPTIONS — 3-month call rates

Table of 3-month call rates for various options.

Finance

Table of finance stock prices.

Oil and Gas

Table of oil and gas stock prices.

Diamond and Platinum

Table of diamond and platinum stock prices.

Central African

Table of central African stock prices.

Recent Issues and Rights Page 18

Textual information about recent issues and rights.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Pound depressed by firm dollar

BY COLIN MILLHAM Sterling fell to record lows against the dollar last week, but this was more a reflection of the strength of the U.S. currency than any serious underlying weakness of the pound. Sterling also lost ground to members of the European Monetary System, although once again the reason was mainly because of demand for the German mark following an end to the German metalworkers dispute.

FINANCIAL FUTURES

Federal funds rate in New York, intervention by central banks, and an end to the strike by German engineering workers. The Bundesbank gave its heaviest support to the D-mark so far this year on Monday, and remained quite active later in the week, although activity in the market tended to run down by Friday as traders squared their books at the month end.

THE POUND SPOT AND FORWARD

Table showing exchange rates for Pound Spot and Forward. Columns include Date, Day's spread, Close, One month, % Three months, and % Six months.

OTHER CURRENCIES

Table showing exchange rates for other currencies such as Australia Dollar, Brazil Cruzeiro, Canadian Dollar, etc.

FORWARD RATES AGAINST STERLING

Table showing forward rates for Dollar, French Franc, Swiss Franc, and Japanese Yen.

BANK OF ENGLAND TREASURY BILL TENDER

Table showing tender details for Bank of England Treasury Bill, including Bids on offer and Top Accepted rate of discount.

THE DOLLAR SPOT AND FORWARD

Table showing exchange rates for Dollar Spot and Forward. Columns include Date, Day's spread, Close, One month, % Three months, and % Six months.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit rates for various countries like Belgium, France, Germany, etc.

CURRENCY MOVEMENTS

Table showing currency movements for Sterling, Canadian Dollar, Deutschmark, etc.

LONDON

Table showing market data for London, including EURO DOLLAR and STERLING DEPOSIT.

CHICAGO

Table showing market data for Chicago, including FT-SE 100 INDEX and U.S. TREASURY BILLS.

SWISS FRANC SWFR 125.000

Table showing market data for Swiss Franc.

U.S. TREASURY BONDS

Table showing market data for U.S. Treasury Bonds.

WEEKLY CHANGE IN WORLD INTEREST RATES

Table showing weekly change in interest rates for various countries and currencies.

EXCHANGE CROSS RATES

Table showing exchange cross rates between various currencies like Pound Sterling, U.S. Dollar, Deutsche Mark, etc.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table showing Euro-currency interest rates for various currencies and terms.

MONEY MARKETS

Calmer nerves in London

There was little change in interest rates in the London money market last week as conditions stayed calm despite the fall of sterling against the dollar. The Bank of England issued a statement, stressing that there was little reason for a rise in interest rates on grounds of monetary policy, but at the same time adjusted its market dealing rates, bringing them more in line with the market.

Three-month interbank was steady at around 9½ per cent and there was little or no reaction to the rise to 9½ per cent from 9 per cent to Lloyds Bank and National Westminster's base lending rate, since this only brought the other two major high street banks into line with Barclays and Midland.

FT LONDON

INTERBANK FIXING

Table showing interbank fixing rates for London.

LONDON MONEY RATES

Table showing London money rates for various currencies.

Discount Houses Deposit and Bill Rates

Table showing discount houses deposit and bill rates.

MONEY RATES

Table showing money rates for New York.

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